NEVADA HOUSING DIVISION

NHD Apartment Facts

Second Quarter
2012

COVERED AREAS:

Greater Las Vegas Valley
Greater Reno/Sparks Area
Rural Nevada

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Final Report

2nd Quarter 2012
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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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 2012 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 Low-Income Housing Tax Credit Program hundreds of qualified families have become residents of affordable residential multi-family rental units. This public-private partnership continues to play an important role in providing not only affordable but housing for the elderly and physically challenged populations in our state.

Charles L. Horsey

"Through the apartment survey, 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

A **survey methodology** was used to gather statistical data and responses from apartment complex owners or management professionals of multi-family housing complexes from specific geographical areas in Nevada.

NHD designed and administered a direct 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. The survey has a 3 percent +/- factor.

Data:

All data for the second quarter 2012 study is based upon primary data collection conducted by the Housing Division. From this data collection, 770 apartment complexes were identified in the Greater Las Vegas Valley representing 109,641 apartment units validated for the database.

In the Greater Reno/Sparks Area, 265 apartment complexes were identified representing 22,769 apartment units validated for the database.

For rural Nevada, 137 apartment complexes were identified representing 5,672 apartment units validated for the database.

Survey data analysis is based upon a 70% response rate for the Greater Las Vegas Valley, a 66% response rate for the Greater Reno/Sparks Area, and a 64% response rate for rural Nevada.[1]

All data for the multi-family analysis is based upon market and affordable residential rental properties. Assisted living (group homes), subsidized, and extended stay residential 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 2012 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 2012 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 more than 60% of the complexes' units are reintroduced into the rental market.
7. Data reflects, from the survey's reporting apartment managers, an overall vacancy rate of 8.95%, a -.93% change in vacancy rate from the 2011 point-in-time survey data.
8. The single room occupancy (SRO) size apartment rental units reflect the highest vacancy rate at 25.5%.
9. The SRO and studio size apartments for the 2012 vacancy rate reflected the highest percentage of vacancies at 25.5% and 13.1% respectively while the two-bedroom size reflected the smallest rate at 8.7%.
10. Vacancy rates continue to be higher in those multi-family complexes constructed pre 1985.
11. Multi-family vacancy rates are highest in the older residential areas of the Valley.
12. 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, and within the City of Henderson.
13. 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.
14. New construction of multi-family units has stabilized between 2000 to 2012 showing a much lower trend of construction than that experienced in the late 1980's and the mid 1990's.
15. More than 30% of the Greater Las Vegas Valley's new construction for the first six months of 2012 has been located within or adjacent to the City of Henderson.
16. Since year 2005, the number of three-bedroom size units constructed have shown the most significant decline.
17. During 2010 and the first six months of 2012 the three-bedroom size units began to show some movement up in correlation to the studio size units.
18. The second quarter 2012 mean rental rates by apartment size for market units shows a slight increase in rents for the one-bedroom size units and a decrease in rents for the studio, two- and three-bedroom size units.
19. The 2012 data did not reflect major changes in market-rate rental rates from the 2011 data.
20. Affordable rents[1] for the one, two and three-bedroom size units continue to be more than 20% lower than unrestricted market rents for comparable configuration.
21. The one-bedroom and two-bedroom size units are almost equal at 47% and 45.5% respectively on representing the highest percentage of where the 55+ age group prefer to reside.
22. The older established area of downtown City of Henderson makes up 6.54% of the geographical area where the 55+ age group reside.
23. Other predominant geographical area where the 55+ age group reside in within the City of Las Vegas with more than 16% residing in the downtown area of the City of Las Vegas.
24. Vacancy rates for apartments that house the 55+ age group showed a 1.14% decline in available housing.
25. Affordable rents[1] for studio, one, and two-bedroom size units that house the 55+ population are lower by more than 20% than unrestricted market rents for comparable configuration.
26. Difference in rental rates for apartment units that house the 55+ age group reflect a narrowing in rental rates between these 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 size units reflect a continued trend of representing one-half of identified residential rental apartment units in this market. (Reference Table 1 and Graph 1)

TABLE 1
Number of Apartments by Type of Unit
June 1997-2012

Date	Total Units[1]	SRO[2]	Studios	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
June 1997	121,509	--	9,314	44,754	57,481	9,804	156
June 1998	131,754	--	8,837	49,180	62,515	11,044	156
June 1999	143,163	--	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	496	3,818	32,947	47,437	9,878	370
June 2012	109,641	1,017	3,957	37,110	55,886	11,181	490

[1] Refusal to participate and a fluctuating survey return rate has resulted in a continued lowering of total units in the survey's database.
[2] Single Room Occupancy.

Distribution of Apartments by Type of Unit

Of the total number of apartment complexes identified, approximately 29 percent provided no response from management giving the 2012 survey an overall 70.2% response rating. This significant percentage of written responses gives the Division a high degree of confidence in the validity of information collected.

Table 1-A
Number of Apartments by Type of Unit
June 2007 through June 2012
Database Breakdown

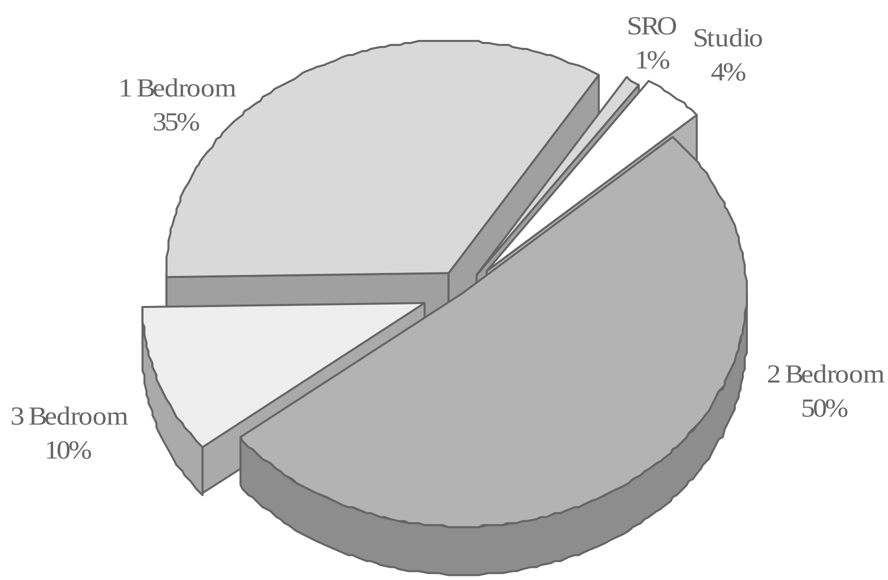
Description	June 2007	June 2008	June 2009	June 2010	June 2011	June 2012
Total # of apartment complexes identified	811	822	685	718	734	770
Total # of apartment units identified	153,388	155,479	140,757	148,268	151,096	156,201
# of rental units identified within condominium complexes and other types of non-subsidized housing for rental	1,107	88	1,407	2,071	673*	807
# of identified rental units where there was no response, or owners and/or managers refused to participate	17,172	14,271	10,910	38,280	52,631	44,996
# of identified rental areas where mail was returned, in those cases rental complexes are too small to have on-site management office	2,591	4,345	1,539	1,458	2,412	757
# of rental units identified as under construction with targeted completion dates later in the year	346	186	N/A	**	434***	N/A
Total # of rental units validated for database	131,767	136,452	126,901	106,459	94,946	109,641

* 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.
N/A - No specific numbers disclosed.

Distribution of Apartment Units by Size

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 (.45%) in the residential multi-family rental market.

GRAPH 1
Distribution of Apartment Units by Size
June 2012

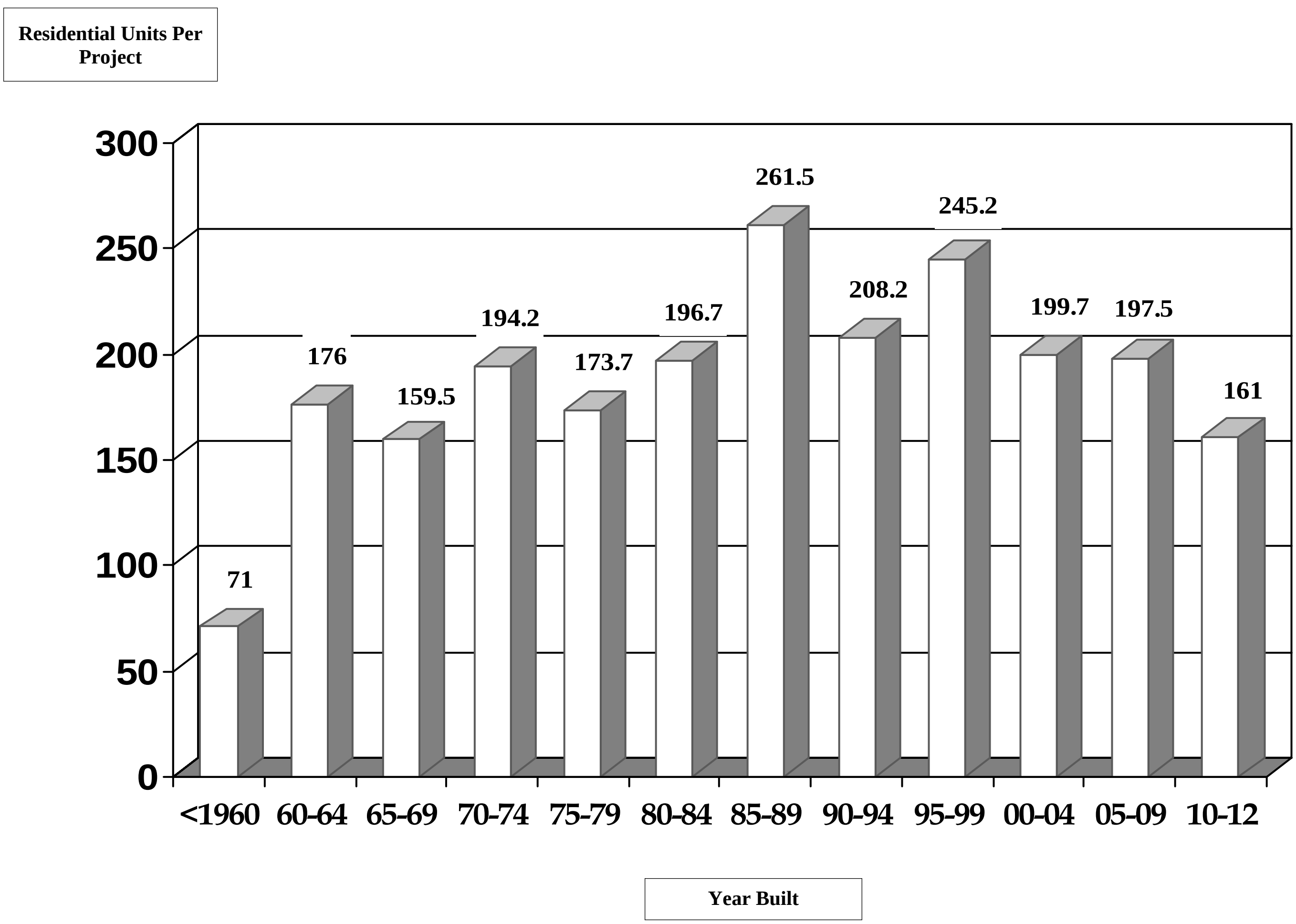


Note: Four-Bedroom size units represented .45% of the total number of apartment units in the Greater Las Vegas Valley; therefore, that number is not shown in Graph 1.

Growth in Average Apartment Project Size

Growth in the average apartment complex size was highest during the 1980's and 1990's. Since year 2000, the average size of apartment projects, i.e., the number of residential units per project, has decreased. The time period of year 2010 to the first 6 months of 2012 reflect the lowest number of residential units per project since the late 1960's.

GRAPH 2
Average Apartment Complex Size by 5-year Increments
<1960 to 2012



Vacancy Rates

The vacancy rates in the Division's second quarter 2012 survey reflects a .93 percent decrease in number of vacancies for the Greater Las Vegas Valley. The 2011 data showed a vacancy rate decrease of 1.15% from the second quarter 2010 point-in-time survey data. The Valley's vacancy rate has been trending downward since 2010 at rates averaging approximately 2 percent for this two-year time period.

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

Units Built by Year	2nd Qtr. 2012 # Responding to vacancy question Projects	Units	2nd Qtr. 2012 # of Reported Vacant Units	Vacancy Rate 6/30/12	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
2012	**5**	**721**	**	**	**	**	**	**	**N/A**
2010-2011	**19**	**3,375**	**	**	**	**	**	**	**
2005-2009	63	12,443	1,002	8.05%	8.22%	9.60%	9.97%	3.0%	**
2000-2004	77	15,376	1,119	7.28%	7.73%	7.99%	7.86%	6.7%	3.4%
1995-1999	91	22,220	1,759	7.92%	8.15%	9.94%	9.72%	8.1%	4.5%
1990-1994	47	9,883	939	9.50%	7.85%	11.51%	11.31%	7.8%	4.2%
1985-1989	74	19,456	1,606	8.25%	9.25%	11.31%	9.84%	7.6%	5.6%
1980-1984	38	7,417	855	11.53%	10.50%	9.08%	9.92%	7.2%	5.3%
1975-1979	37	6,426	661	10.29%	12.70%	12.51%	10.02%	7.3%	4.2%
1970-1974	27	5,245	661	12.60%	21.56%	16.63%	15.38%	7.6%	7.9%
Pre-1970	22	3,038	429	14.12%	19.61%	21.94%	15.62%	9.2%	10.2%
Date unknown	22	2,933	448	15.27%	10.53%	15.35%	16.09%	11.0%	8.9%
Total	**497**	**104,117**	9,315	8.95%	9.88%	11.03%	10.40%	7.6%	5.1%

*Vacancy data is derived from a 99% survey response rate to the specific vacancy rate question.
** 2012 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 subsidized housing projects.

Vacancy Rates

Table 3 reflects that in the Greater Las Vegas Valley, the 4-bedroom units experienced the largest increase in vacancy rates. The one-two- and three-bedroom size units all reflect slight decreases in vacancy rates. The overall vacancy data reflects a more than 10% vacancy rates in all units with exception to the 1- and 2-bedroom size units which reflect rates slightly below 10%. This data could be in direct correlation to the area's high foreclosure rates, with investors providing rental single-family residences for those families who have lost their homes.

TABLE 3
Reported Vacancies by Type of Unit
for All Reporting Apartment Complexes
2012

Apartment Type	Number of Units in Sample[1]	Vacancies by Unit Type	Vacancy Rate 2012	Vacancy Rate 2011	% Change (11-12)
Single Room Occupancy (SRO)	1,017	259	25.5%	25.6%	- .10%
Studio Apartments	3,582	469	13.1%	8.0%	+ 5.1%
1-Bedroom Apartments	31,815	2,381	7.5%	12.4%	- 4.9%
2-Bedroom Size Apartments	48,441	4,217	8.7%	12.6%	- 3.9%
3-Bedroom Size Apartments	9,916	1,125	11.3%	14.7%	- 3.4%
4-Bedroom Size Apartments	332	36	10.8%	4.5%	+ 6.3%

[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. Of the number of units in sample, 99% responded to the vacancies by unit type.

Housing Units and Vacancy Rate by Zip Code

TABLE 4
Number of Housing Units and Vacancy Rate by Zip Code[1]

Zip Code	Total Number of Apartment Units in Zip Code Area 6/30/12	Vacancy Rate (%) by Zip Code for those Apartment Units Reporting Vacancies 6/30/12	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 Apart-ment Units Reporting Vacancies 6/30/07
89002	441	8.8%	7.9%	11.7%	2.3%	70.9%	**
89005	59	0.0%	5.3%	7.4%	2.2%	0.0%	0.0%
89011	1,029	7.4%	5.8%	7.4%	7.3%	10.6%	**
89012	1,889	5.3%	4.2%	5.8%	9.0%	10.7%	3.3%
89014	5,257	5.7%	6.1%	6.8%	7.7%	7.3%	3.5%
89015	1,702	7.6%	5.8%	8.9%	7.5%	2.9%	3.7%
89030	1,573	13.8%	18.9%	14.3%	16.3%	13.2%	9.3%
89031	824	9.8%	7.8%	12.1%	12.0%	7.5%	1.8%
89032	1,328	9.3%	8.6%	16.8%	15.1%	5.8%	4.4%
89036	248	14.1%	17.3%	11.3%	8.1%	8.9%	**
89052	1,668	4.4%	4.4%	7.1%	6.2%	2.1%	4.6%
89074	1,713	5.4%	6.0%	6.1%	8.0%	8.8%	4.0%
89081	737	6.1%	9.4%	11.3%	18.6%	19.6%	**
89084	1,008	4.6%	5.3%	3.4%	12.4%	**	**
89086	727	7.7%	8.5%	9.9%	7.0%	5.5%	**
89101	5,356	14.1%	17.2%	15.8%	12.8%	8.4%	4.3%
89102	3,834	12.2%	16.4%	18.2%	14.3%	8.2%	5.9%
89103	6,043	8.0%	5.7%	6.5%	8.1%	4.8%	4.2%
89104	3,062	11.0%	13.6%	14.8%	13.0%	11.6%	7.5%
89106	1,492	17.5%	22.0%	21.4%	12.0%	11.9%	5.6%
89107	863	2.9%	6.2%	6.0%	9.0%	8.7%	2.0%
89108	4,918	8.8%	10.4%	14.3%	8.8%	7.4%	7.3%
89109	4,835	11.6%	16.9%	14.6%	10.9%	7.9%	7.6%
89110	2491	9.3%	9.4%	11.5%	10.7%	10.3%	4.4%
89113	578	4.7%	5.4%	**	**	**	**
89115	2,794	17.0%	14.9%	16.7%	18.2%	13.7%	7.7%
89117	6,267	7.9%	5.9%	7.0%	9.1%	5.9%	4.1%

[1]Numbers based upon number of apartment complex respondents.
** Data not reported

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 6/30/12	Vacancy Rate (%) by Zip Code for those Apartment Units Reporting Vacancies 6/30/12	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	1,420	6.8%	2.3%	7.6%	6.3%	3.4%	4.7%
89119	8,044	10.0%	9.9%	12.5%	11.0%	5.5%	4.8%
89120	1,606	8.1%	7.2%	7.1%	6.9%	3.3%	1.5%
89121	5,397	11.4%	11.5%	10.2%	10.8%	8.8%	6.6%
89122	3,299	7.3%	7.4%	11.8%	11.8%	12.7%	3.9%
89123	3,667	5.3%	6.1%	6.8%	7.1%	4.1%	3.3%
89128	2,138	6.6%	4.7%	6.2%	4.1%	8.5%	8.2%
89129	1,258	10.6%	10.9%	6.4%	6.2%	13.0%	3.6%
89130	1,125	6.5%	7.1%	21.2%	16.9%	6.7%	4.9%
89131	272	1.5%	**	**	**	**	**
89135	485	3.9%	6.1%	3.4%	16.3%	7.2%	5.5%
89138	273	7.7%	**	**	**	**	**
89139	1,385	4.7%	3.1%	4.8%	4.4%	2.7%	1.0%
89142	1,744	11.9%	8.7%	4.7%	10.1%	7.5%	6.5%
89144	256	4.7%	**	**	**	**	**
89145	566	3.2%	5.1%	5.4%	9.5%	12.4%	2.6%
89146	2,027	7.3%	5.9%	8.5%	7.5%	8.4%	4.6%
89147	2,487	5.7%	4.8%	12.1%	9.8%	3.9%	4.4%
89148	1,516	5.5%	4.6%	5.4%	13.9%	14.0%	2.8%
89149	333	28.8%	17.2%	**	**	**	**
89156	376	9.6%	16.8%	23.8%	22.4%	16.6%	6.2%
89166	968	10.1%	22.8%	**	**	**	**
89169	193	45.1%	15.2%	6.5%	10.6%	8.5%	**
89183	866	4.8%	7.8%	5.0%	6.5%	2.4%	**
Total Units	104,437						

** data not reported
Note: Vacancy rate data does not include those units in rent-up phase (2010-2012)

Distribution of Rental Units by Zip Code

TABLE 5
Total Number of Apartment Units by Zip Code
June 2012

Zip Code	Total # of Apartment Units by Zip Code	Percent	Cumulative %
89119	8,065	7.35	7.35
89117	6,603	6.00	13.35
89103	6,372	5.81	19.16
89101	5,724	5.22	24.38
89121	5,511	5.03	29.41
89014	5,257	4.79	34.20
89108	5,170	4.71	38.91
89109	4,835	4.41	43.32
89123	3,845	3.51	46.83
89102	3,834	3.50	50.33
89122	3,299	3.01	53.34
89104	3,204	2.92	56.26
89115	2,946	2.69	58.95
89110	2,491	2.27	61.22
89147	2,487	2.27	63.49
89128	2,138	1.95	65.44
89148	2,135	1.95	67.39
89146	2,027	1.85	69.24
89074	2,023	1.84	71.08
89012	1,889	1.72	72.80

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

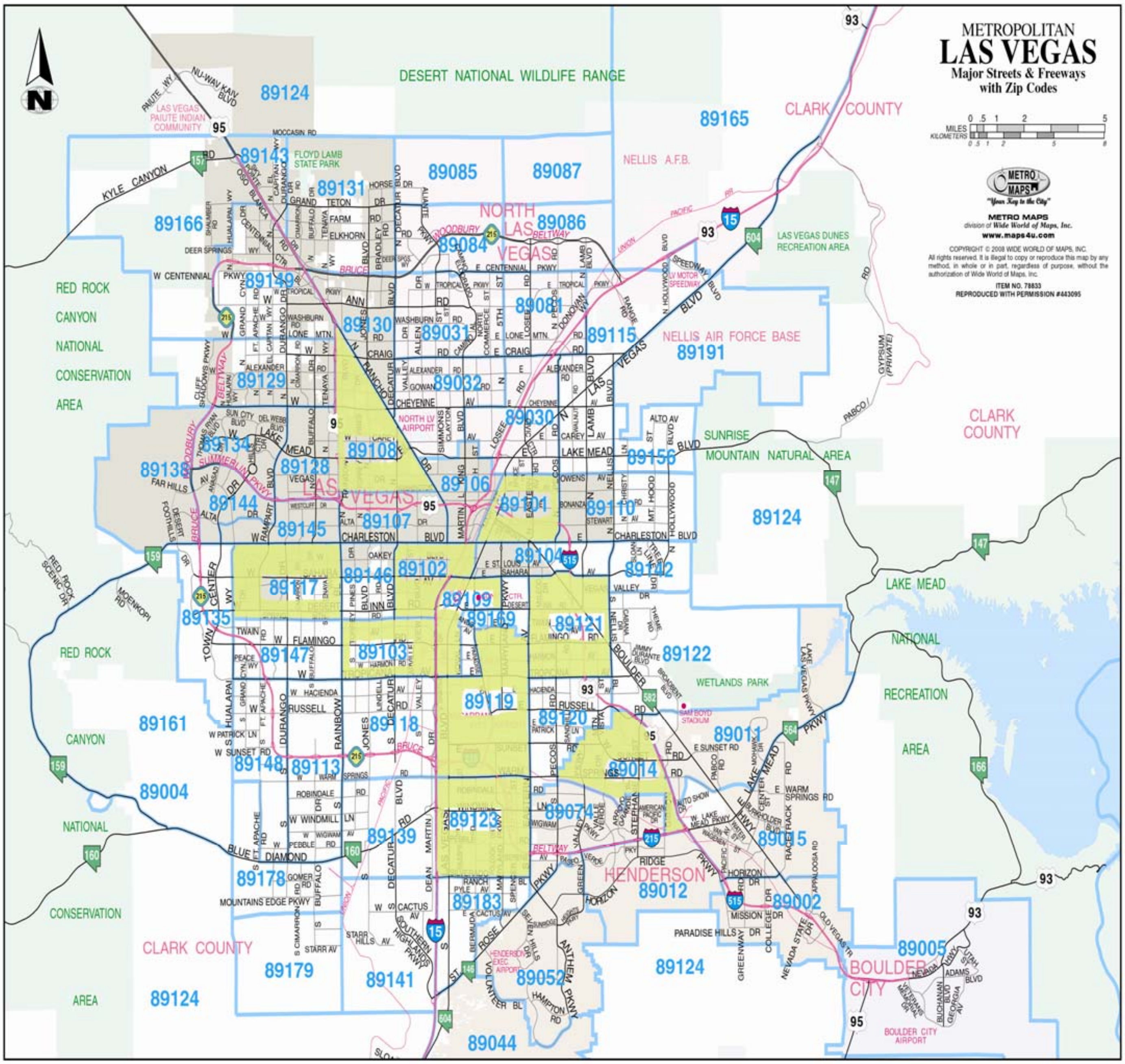
TABLE 5 (continued)
Total Number of Apartment Units by Zip Code
June 2012

Zip Code	Total # of Apartment Units by Zip Code	Percent	Cumulative
89015	1,869	1.70	74.50
89142	1,744	1.59	76.09
89030	1,717	1.57	77.66
89052	1,668	1.52	79.18
89106	1,612	1.47	80.65
89120	1,606	1.46	82.11
89118	1,420	1.29	83.40
89139	1,385	1.26	84.66
89129	1,363	1.24	85.90
89032	1,328	1.21	87.11
89183	1,186	1.08	88.19
89130	1,125	1.03	89.22
89011	1,029	.94	90.16
89084	1,008	.92	91.08
89166	968	.88	91.96
89107	863	.79	92.75
89031	824	.75	93.50
89002	785	.71	94.21
89081	737	.67	94.88
89086	727	.66	95.54
89149	712	.65	96.19
89145	606	.55	96.74
89113	578	.53	97.27
89178	539	.49	97.76
89135	485	.44	98.20
89131	437	.40	98.60
89156	376	.34	98.94
89138	273	.25	99.19
89144	256	.23	99.42
89036	248	.23	99.65
89169	193	.18	99.83
89009	60	.05	99.88
89005	59	.05	99.93
Total	109,641		

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.

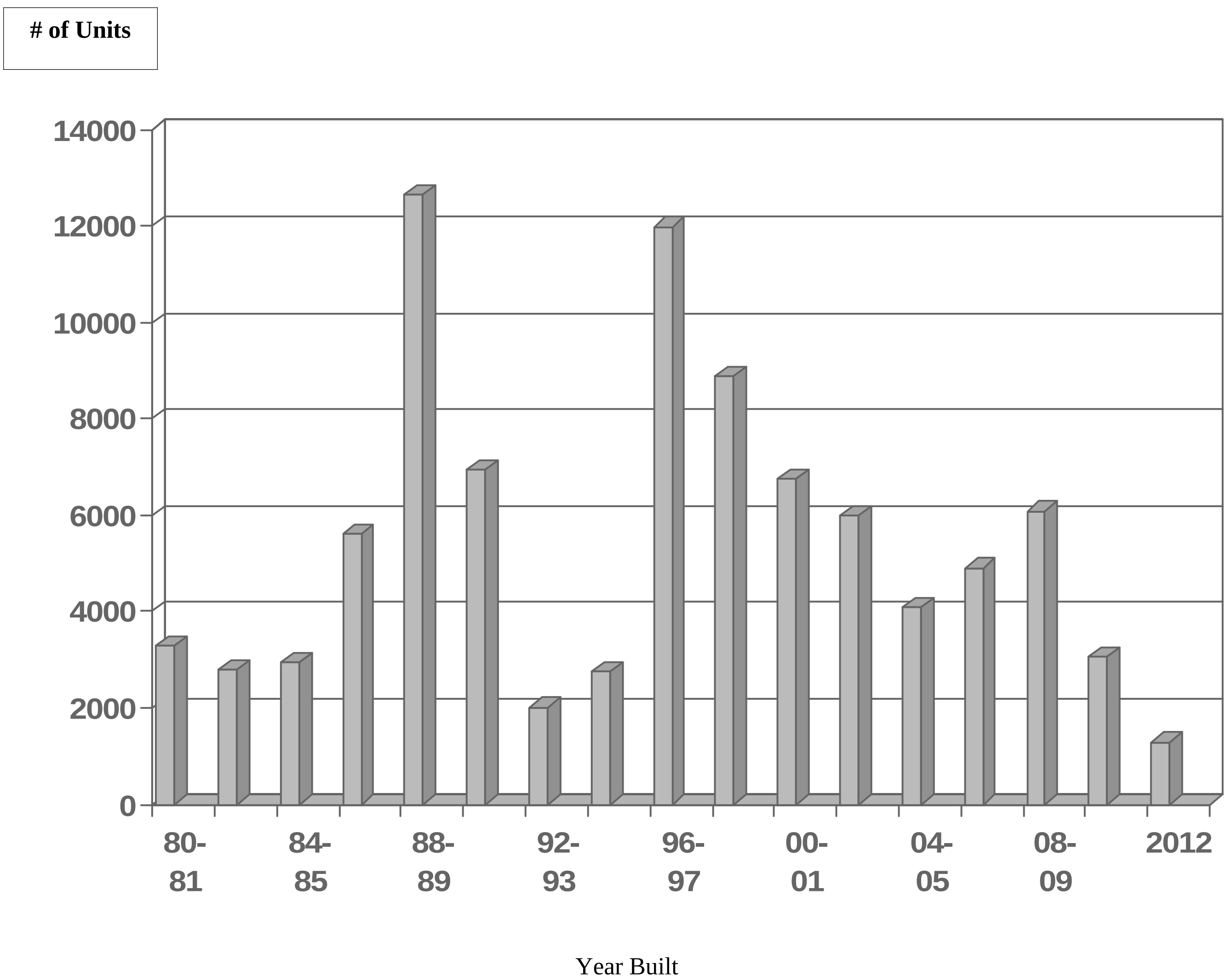
MAP 1
High Density Zip Code Areas of Multi-Family Housing
2012 Data



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, with years 1996 and 1997 representing years of the second highest number of units produced. Data reflects a downward trend in development since 1998 with sharp decline in new construction after 2009 mirroring construction decline during the 1992-1995 recession.

GRAPH 3
Multi-Family Units by Year Built Since 1980
1980-2012



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

Growth Zip Codes

During the first six months of 2012, data collected reflects that approximately 72% of the Greater Las Vegas Valley's new construction occurred within five zip codes. In 2011, four zip codes reflected the location of more than 78% of all new construction (Refer to Map 2).

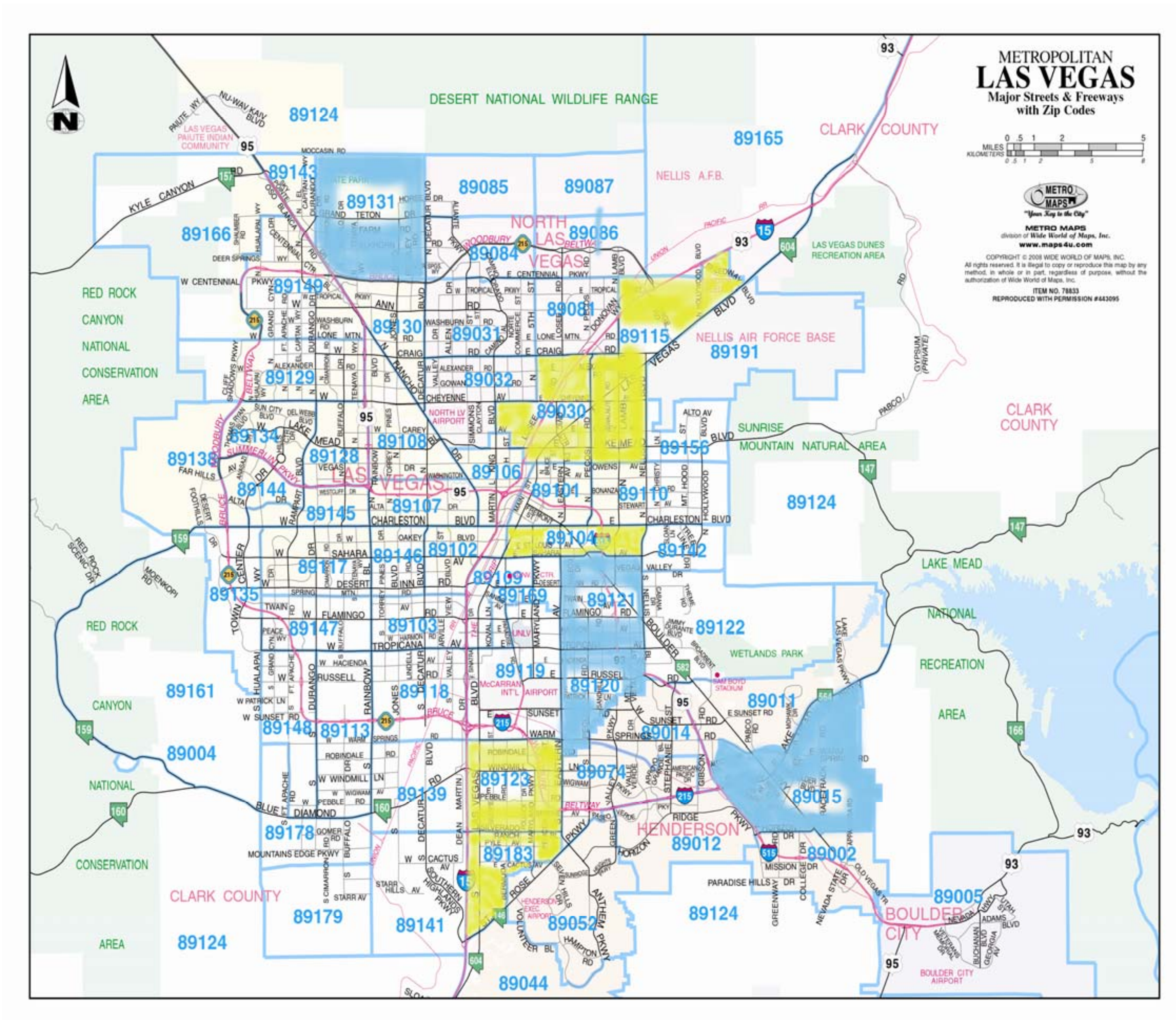
TABLE 6
New Construction of Multi-Family Housing
During 2011 and First 6 Months of 2012

2011			2012		
Zip Code	New Units Recorded for Calendar Year 2011	% of new construction	Zip Code	New Units as of 6/30/12	% of new construction
89009	60	10.95	89015	62	4.80
89015	80	14.60	89030	144	11.15
89101	24	4.38	89103	75	5.80
89106	38	6.93	89104	142	10.99
89120	142	25.91	89115	152	11.76
89121	114	20.80	89121	114	8.82
89131	90	16.42	89123	178	13.78
			89129	105	8.13
			89183	320	24.77
Total	548	99.99	Total	1,292	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 2011 and the first six months of 2012.

MAP 2
Highest Geographic Areas of New Construction for Multi-Family Housing
2011 and First 6 Months of 2012



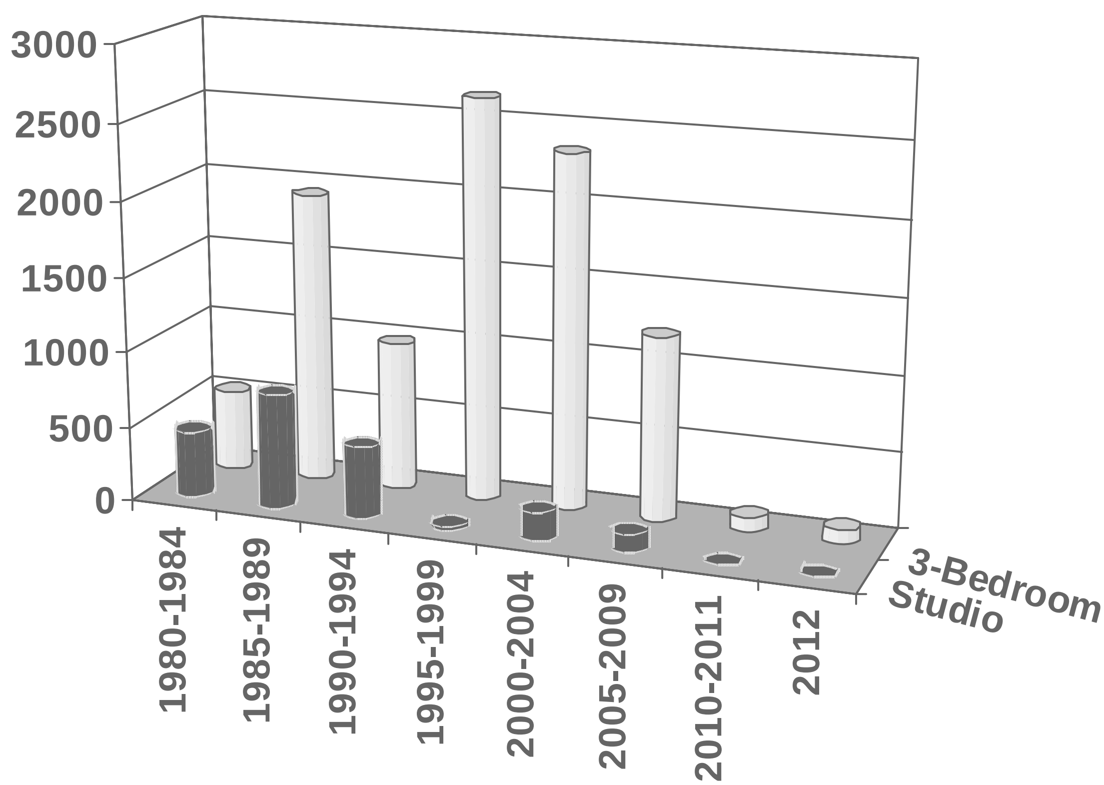
2011 2012

Mix of Apartment Unit Types By Year Built

The three-bedroom apartment size apartment construction has outpaced the studio-size units developed for more than the past 30 years. Since year 2005, both the number of three-bedroom size and studio-size units being constructed, compared to other size units offered, has shown a steady decline.

GRAPH 4
Apartment Unit Types by Year Built
1980-2012

# 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 2012

Date	Studio	1-Bedroom	2-Bedroom	3-Bedroom
June 2000	$454.00	$573.41	$692.24	$861.66
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%
June 2012	$518.89	$671.45	$797.70	$993.25
% change 11-12	-3.07%	+.34%	-.94%	-2.05%

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.

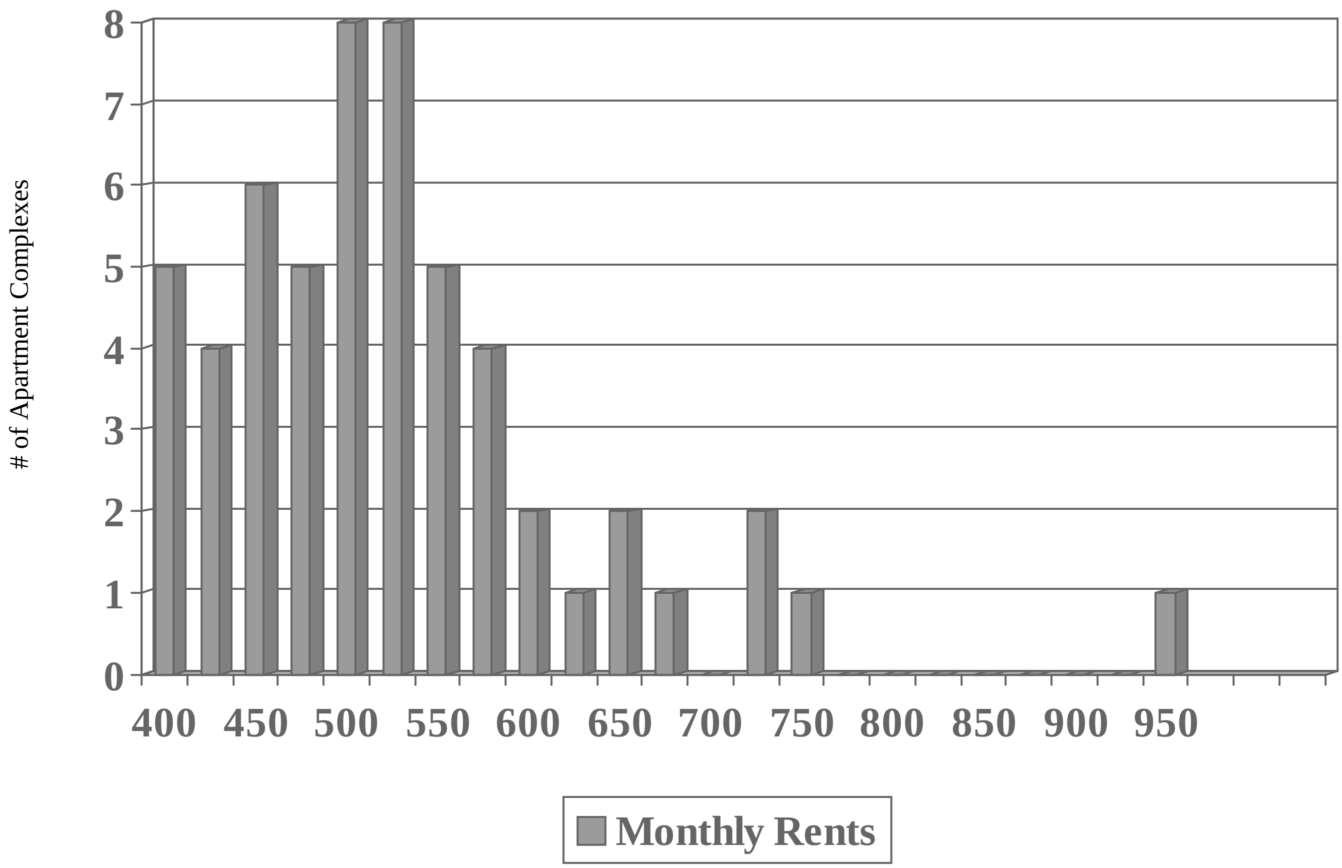
TABLE 8
Mean Rental Rates
Affordable and Market-Rate Multi-Family Mean Rental Rate Comparison by Unit Size
2011-2012

Type of Units	Studio		1-Bedroom		2-Bedroom		3-Bedroom	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Market Units Rental Rate	$518.89	$535.32	$671.45	$669.16	$797.70	$805.24	$993.25	$1,014.02
Affordable Units[1] Rental Rate	$451.00	$480.40	$525.86	$525.59	$623.23	$626.71	$749.85	$769.78
Percentage Difference between Affordable and Market-Rate Multi-Family Residential Unit Rental Rates	-13.08%	-10.26%	-21.68%	-21.46%	-21.87%	-22.17%	-24.50%	-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 2012

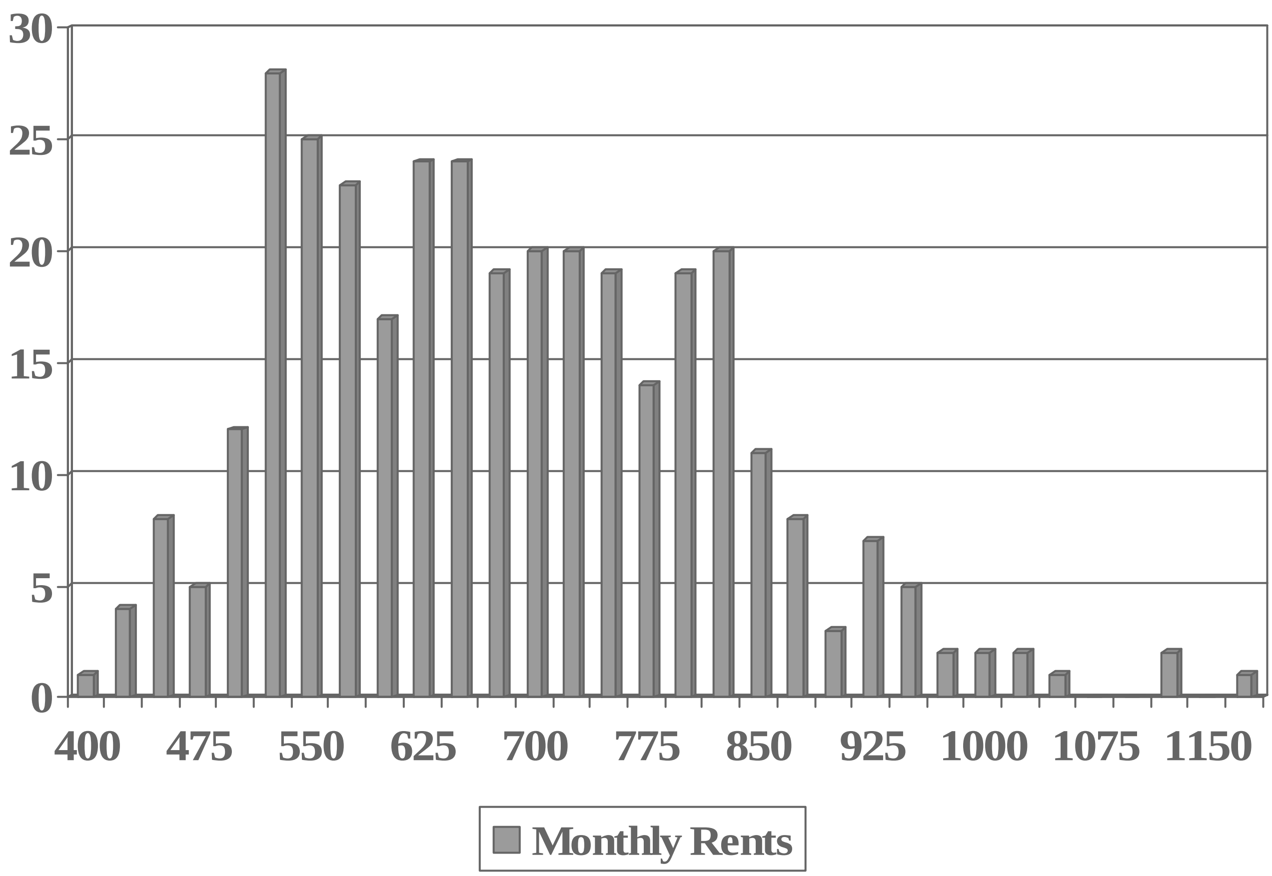


Average Low = $489.54 down 1.03% since 2011
Average High = $548.25 down 4.81% since 2011

Note: 55 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 2012

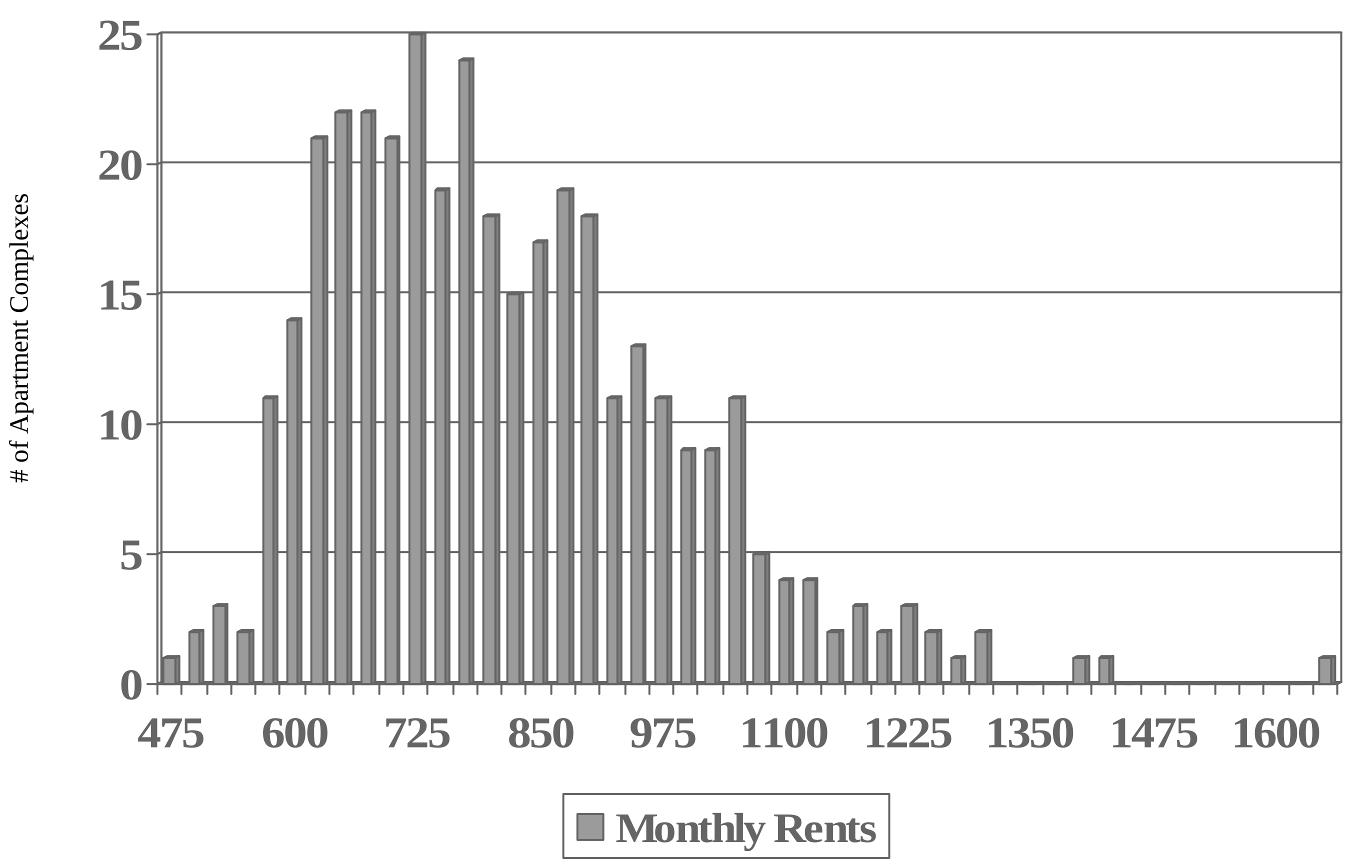


Average Low= $629.49 up .32% since 2011
Average High= $713.41 up .36% since 2011

Note: 346 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 2012

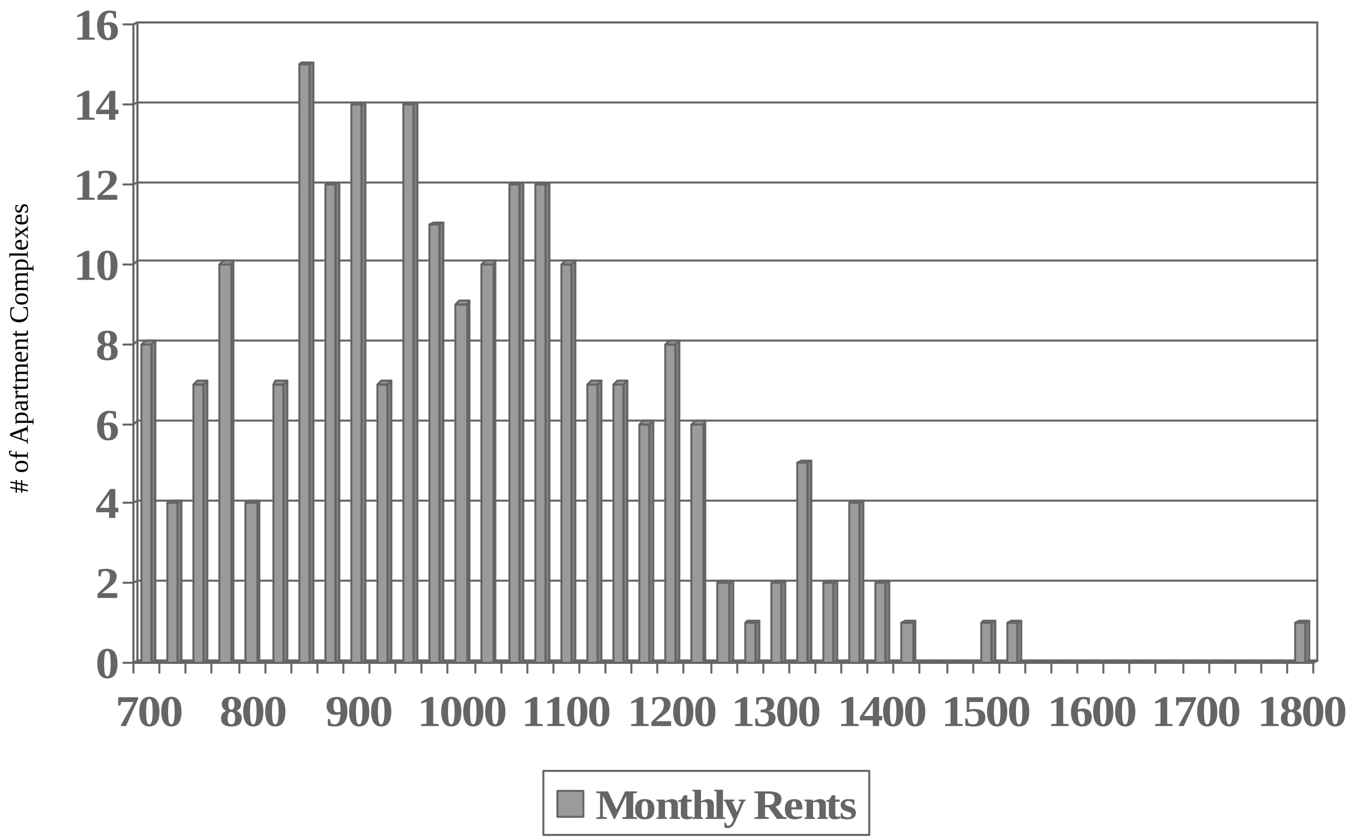


Average Low= $739.62 down 1.33% since 2011
Average High= $855.79 down .59% since 2011

Note: 369 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 2012



Average Low= $945.24 down 2.74% since 2011
Average High= $1,041.26 down 1.41% since 2011

Note: 222 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
1999-2012

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
Apartments (6/12)	8,739	320	304	4,104	3,973	38

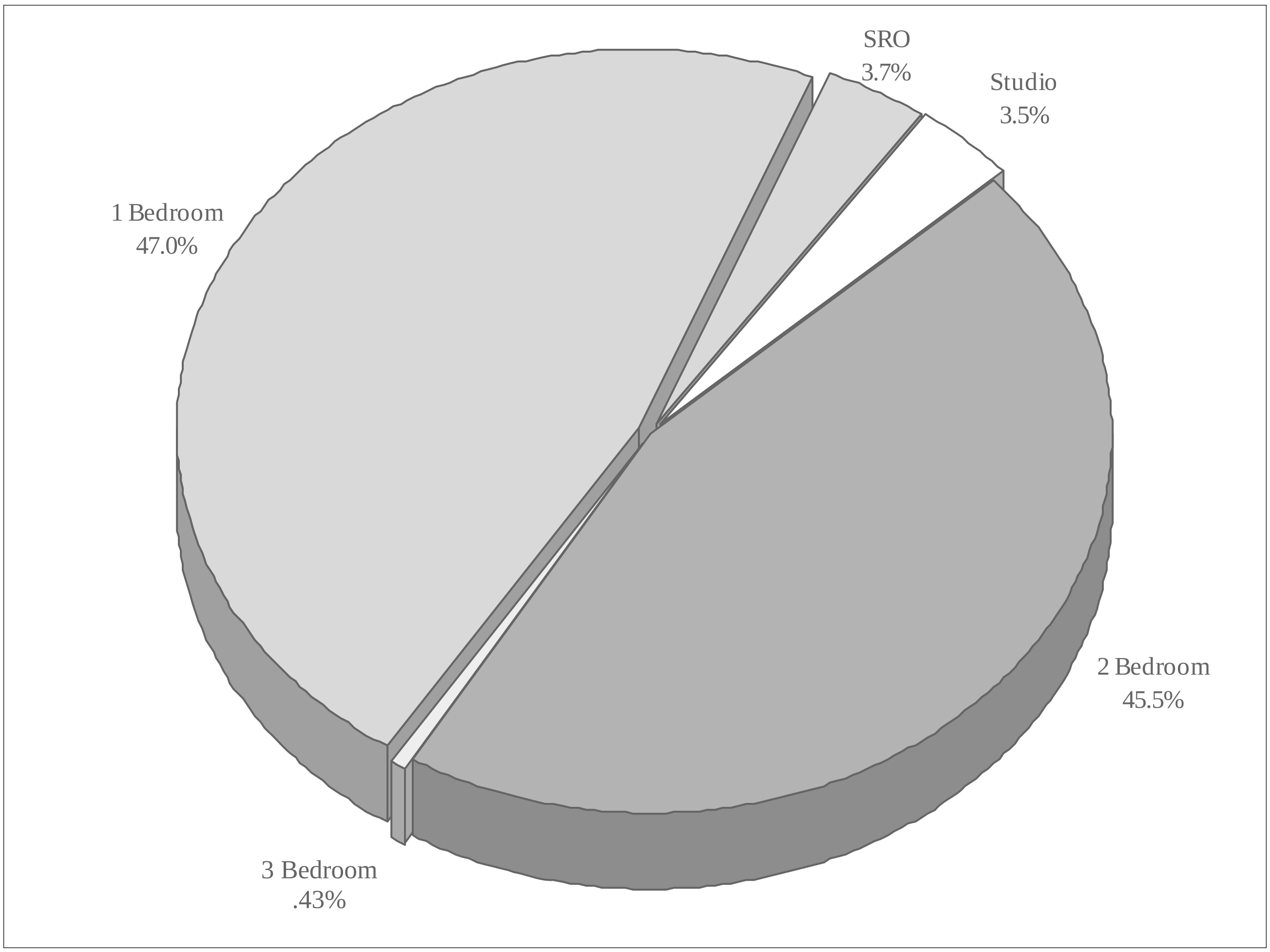
*SRO (Single Room Occupancy) data was included within studio count for 6/99 period.
Note: No four-bedroom size apartment units were reported as housing for the 55+ population.

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

Graph 9 demonstrates the 55+ age group's living preference of residential size of unit. Within the existing market, the one- and two-bedroom size units reflect the highest percentage (92.5%) of where this age group resides. The most significant change over the 2011 period, was the increase of 3.1% who chose to live in one-bedroom size units. The one-bedroom size unit was the only size unit that showed a slight increase in rental rates, up .34% compared to all other size units showing decreases in rental rates.

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

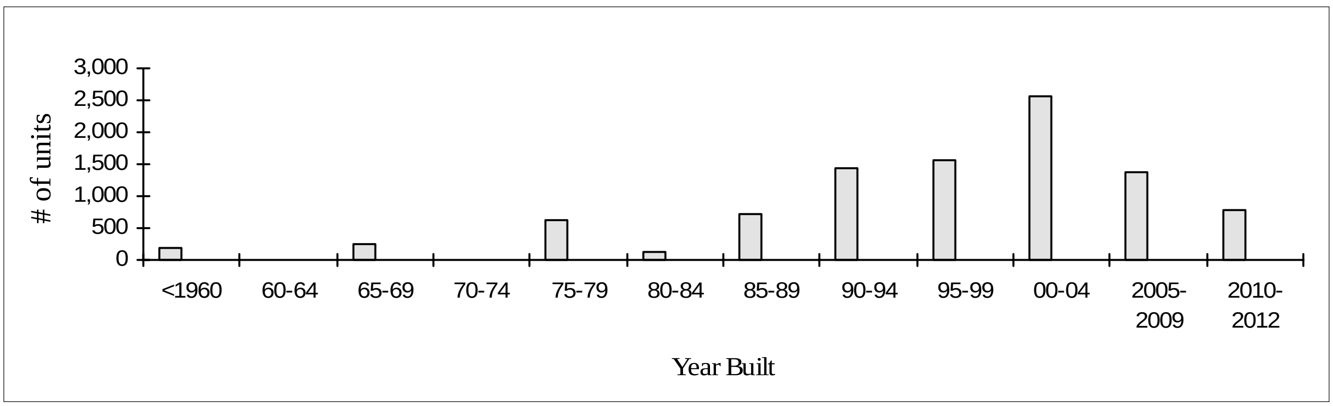
June 2012



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

The Nevada Housing Division (Nevada's Housing Finance Agency) was established by the Legislature in 1975. The Housing Division's mission was formulated to encourage the private sector and other government entities in the creation and maintenance of safe, decent and affordable housing throughout Nevada. In 1975, the graph below reflects the upward growth trend in the multi-family rental residential housing market. In 1975, the Housing Finance Agency implemented the multi-family bond program and in 1976 the Low-Income Housing Tax Credit Program. The Housing Division has been a major force in Southern Nevada in providing much needed affordable housing for low- to moderate-income families and the 55+ age group. A significant portion of the 55+ age group are retired and living on fixed incomes.

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

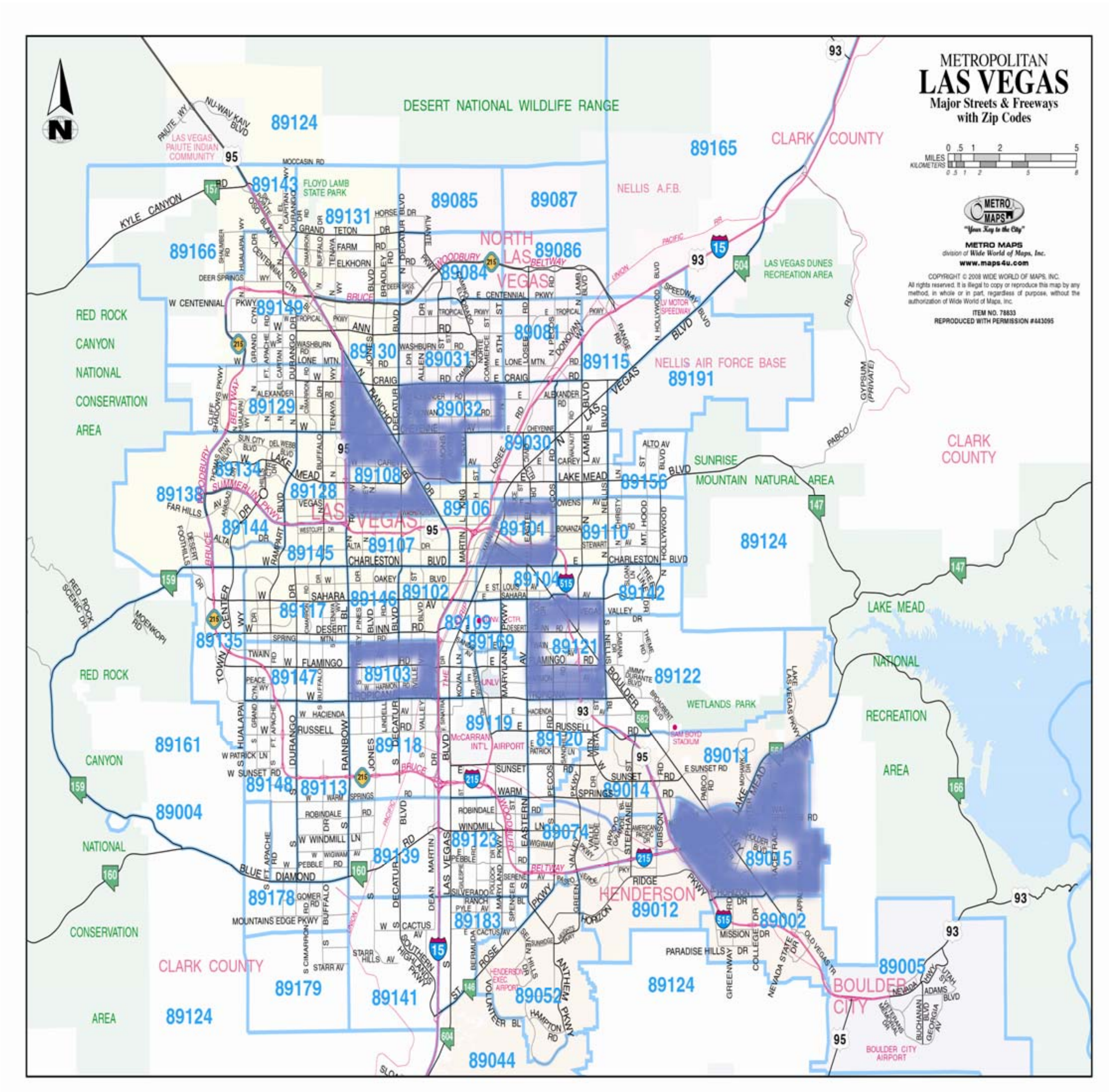
Just over fifty percent of all apartment units that house residents who are in the 55+ age group are located within six zip code areas. The location of housing where seniors appear to prefer to live are in areas which are near gaming, senior services, medical facilities, shopping and/or mass transportation. (See Map 3, page 28.)

Table 10
Number of Apartments by Zip Code that House the 55+ Age Group
2012

Zip Code	Number of Units	% of Total	Cumulative %
89101	1,406	16.09	16.09
89108	762	8.72	24.81
89103	757	8.66	33.47
89121	682	7.80	41.27
89032	680	7.78	49.05
89015	572	6.54	55.59
89106	494	5.65	61.24
89104	462	5.29	66.53
89052	400	4.58	71.11
89119	348	3.98	75.09
89120	302	3.45	78.54
89128	242	2.77	81.31
89002	228	2.61	83.92
89110	222	2.54	86.46
89012	205	2.34	88.80
89131	165	1.89	90.69
89014	156	1.78	92.47
89030	142	1.62	94.09
89142	122	1.40	95.49
89109	105	1.20	96.69
89009	60	.69	97.38
89102	59	.67	98.05
89005	59	.67	98.72
89115	50	.57	99.29
89145	40	.46	99.75
89146	19	.22	99.97
Total	8,739		

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

MAP 3
Areas Where More Than 50% of Multi-Family Projects that House the 55+ Age Group Are Located (by Zip Code)
2012



Vacancy Rates for Apartments that House the 55+ Age Group

Table 11 reflects an overall 1.14% decrease in vacancies from 2011 to 2012 for the targeted 55+ age group's residential rental housing. This information is based upon those complexes who reported vacancy information.

TABLE 11
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	Number Responding to Vacancy Question		Number of Reported Vacant Units 2012 Survey	Vacancy Rate 6/30/12	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
	Projects	Units							
2010-2012	12	877	NA	NA	NA	NA	--	--	--
2005-2009	12	1,195	86	7.20%	7.28%	6.58%	9.55%	7.12%	NA
2000 –2004	24	2,852	229	8.03%	7.74%	8.01%	5.93%	5.73%	3.76%
1995-1999	11	1,818	166	9.13%	9.55%	10.62%	9.47%	9.30%	6.11%
1990-1994	1	320	27	8.44%	6.40%	9.65%	9.53%	6.81%	3.80%
1985-1989	3	488	40	8.20%	15.96%	5.95%	6.75%	4.55%	3.72%
1980-1984	0	0	--	--	7.83%	6.05%	1.84%	7.24%	1.96%
1975-1979	1	59	2	3.39%	14.65%	7.71%	7.26%	4.84%	2.87%
1970-1974	0	0	--	--	--	--	--	7.46%	0.00%
Pre-1970	3	338	13	3.85%	9.37%	25.73%	11.01%	6.33%	4.07%
Date unknown	1	472	18	3.81%	2.17%	2.5%	.00%	0.0%	16.67%
Totals	56	7,542	581	7.70%	8.84%	9.00%	8.00%	6.70%	4.28%

Note: Totals include 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.
-- Indicates no response to vacancy question or is a date prior to construction.

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

TABLE 12
Mean Rental Rates by Zip Code and by Type of Unit for Apartments that House the 55+ Age Group
June 2012

Market Units Mean Rental Rates

Zip Code	Rental Rates Studio Apartments	Rental Rates 1-BR Apartments	Rental Rates 2-BR Apartments
89032	$674	$793	$897
89101	$453	$506	$604
89102	--	$550	$709
89103	$715	$748	$871
89104	$493	$575	$725
89108	$614	$690	$760
89110	--	$595	$695
89115	--	$685	--
89119	$549	$625	$725
89121	--	$672	$837
89128	--	$845	$987

Affordable Units[1] Mean Rental Rates

Zip Code	Rental Rates Studio Apartments	Rental Rates 1-BR Apartments	Rental Rates 2-BR Apartments
89002	--	$660	$791
89009	--	$636	$753
89012	--	$525	$637
89014	--	$479	$565
89015	--	$413	$502
89030	--	$425	$512
89032	--	$623	$750
89052	--	$530	$657
89101	$408	$446	$536
89103	--	$433	$519
89104	--	$622	$722
89106	--	$525	$615
89108	--	$658	$797
89109	--	$588	$619
89110	--	$473	$501
89119	--	--	$424
89120	--	$616	$625
89121	--	--	$686
89131	--	$618	$742
89142	--	$630	$729
89145	--	$494	$593
89146	--	$484	$592

[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 12-A and 12-B clearly shows the impact the economy has had on widening the gap of unrestricted market unit rental rates versus affordable units rental rates. 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. (Refer to Graph 9).

TABLE 12-A
Mean Rental Rates
Market Rate and Affordable Housing Rental Rate Comparison that House the 55+ Age Group
June 2012

Type of Units	Studio	1-Bedroom	2-Bedroom
Market Units Rental Rate	$570	$662	$788
Affordable Units[1] Rental Rate	$408	$505	$597
Percentage Difference between Affordable and Market-Rate Multi-Family Residential Unit Rental Rates	-28.42%	-23.72%	-24.24%

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

TABLE 12-B
Mean Rental Rates
Market Rate and Affordable Housing Rental Rate Percentage Differences that House the 55+ Age Group
June 2011 - June 2012

Type of Units	Studio	1-Bedroon	2-Bedroom
2011 Percentage Difference between Affordable and Market-Rate Multi-Family Residential Unit Rental Rates	-1.03%	-15.16%	-17.00%
2012 Percentage Difference between Affordable and Market-Rate Multi-Family Residential Unit Rental Rates	-28.42%	-23.72%	-24.24%
Percentage Rate Change from 2011 to 2012	+27.39%	+8.56%	+7.24%

Section II

Greater Reno/Sparks Area

Key Points

Key findings from the 2nd Quarter 2012 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. Approximately 81% of the area's multi-family housing inventory consists of one-and two-bedroom size units.
4. Years 1980 to 1984 reflect the highest number of new units constructed as well as apartment projects that had significantly higher number of residential units within the complex.
5. Data reflects an overall trend of smaller projects and fewer number of complexes being built from 1985 to 2012.
6. Data reflects an overall vacancy rate of 7.04%, representing a decrease of 1.43% in units available in the rental market.
7. The single room occupancy and studio size residential multi-family units experienced a higher vacancy rate than any other size of residential multi-family units.
8. The four-bedroom size units show the lowest vacancy rate at 1.60%.
9. Three zip codes (89501,89502, and 89512) experienced higher vacancy rates than any other area within the Greater Reno/Sparks Area. These areas are geographically located in the center of Reno.
10. Starting with year 2000, new multi-family development has shown a steady decline.
11. Years 1995 through 2004 showed increased construction for both the three-bedroom and studio size units.
12. 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.
13. Year 2010 and the first six months of 2012 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.
14. Rental rates, as of June 2012, reflect an increase in monthly rental rates for all size units.

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

15. The greatest rental rate change occurred in the studio- and two-bedroom size units with both size units showing a rental rate increase of 4.63% and 3.45% respectively.
16. Affordable rents[1] for the one, two and three-bedroom size units are an average of 17% lower than market rates for comparable configuration.
17. The studio and three-bedroom size units show the highest rental rate percentage difference for affordable units, showing rents that are 19% to 20% lower than market-rate rents.
18. The one-bedroom size unit remains the most dominant size unit for the 55+ age group, representing nearly 72% of the housing where seniors prefer to reside.
19. Zip code 89512 data reflects that more than 38% of apartment units located in that geographical area are targeted to serve the 55+ age group. This is an area centrally located between the Cities of Reno and Sparks.
20. Zip code 89503 shows the highest vacancy rate at 9.91% that house the 55+ age group.
21. The mean market rental rate that house the 55+ age group ranges from $386 a month for a studio size unit up to $954 for two-bedroom size units.
22. Affordable rents[1] that house the 55+ population are an average of 6.82% lower than market rents for comparable configuration.
23. In comparison to the Greater Las Vegas Area, data supports the Greater Reno/Sparks Area experiencing a lower vacancy rate, higher rental rates, and less of a gap between restricted and unrestricted rental rates.

[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 13
Number of Apartments by Type of Unit
June 2001-2012

	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
June 2012	22,769	490	1,721	8,149	10,249	1,847	313

[1] Single Room Occupancy.

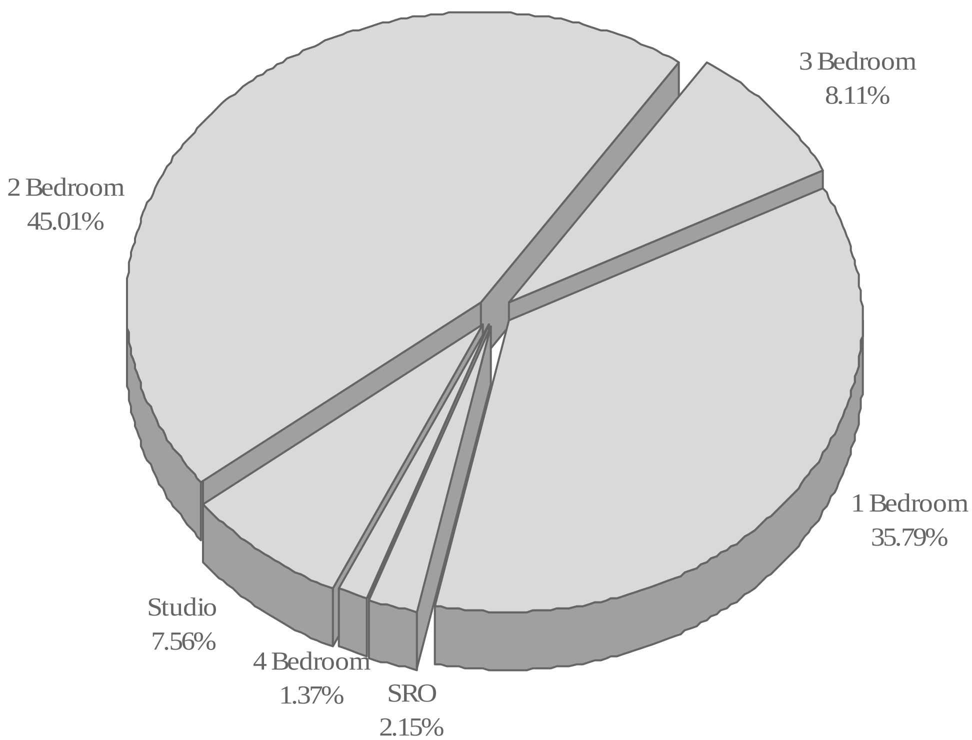
Table 13-A
Number of Apartments by Type of Unit, Database Breakdown

Description	June 2008	June 2009	June 2010	June 2011	June 2012
Total # of apartment complexes identified	253	217	249	257	265
Total # of apartment units identified	33,562	32,021	34,138	34,637	34,367
# of units identified converted from apartment rental units to condominiums	0	0	1,395	1,014	376
# of identified rental units where there was no response, phone systems allowed for screening calls, or owners and/or managers refused to participate	1,279	1,632	7,324	14,234	10,311
# of identified rental areas where mail was returned, in those cases rental complexes are too small to have on-site management office	1,497	332	1,120	907	911
Total # of apartment rental units validated for database	30,786	30,057	24,299	18,482	22,769

Distribution of Apartment Units by Size

Graph 11 shows the highest percentage of apartment units are two-bedroom in size. Nearly 81% of the area's multi-family rental housing inventory consists of residential rental units that are either one- or two-bedroom in size.

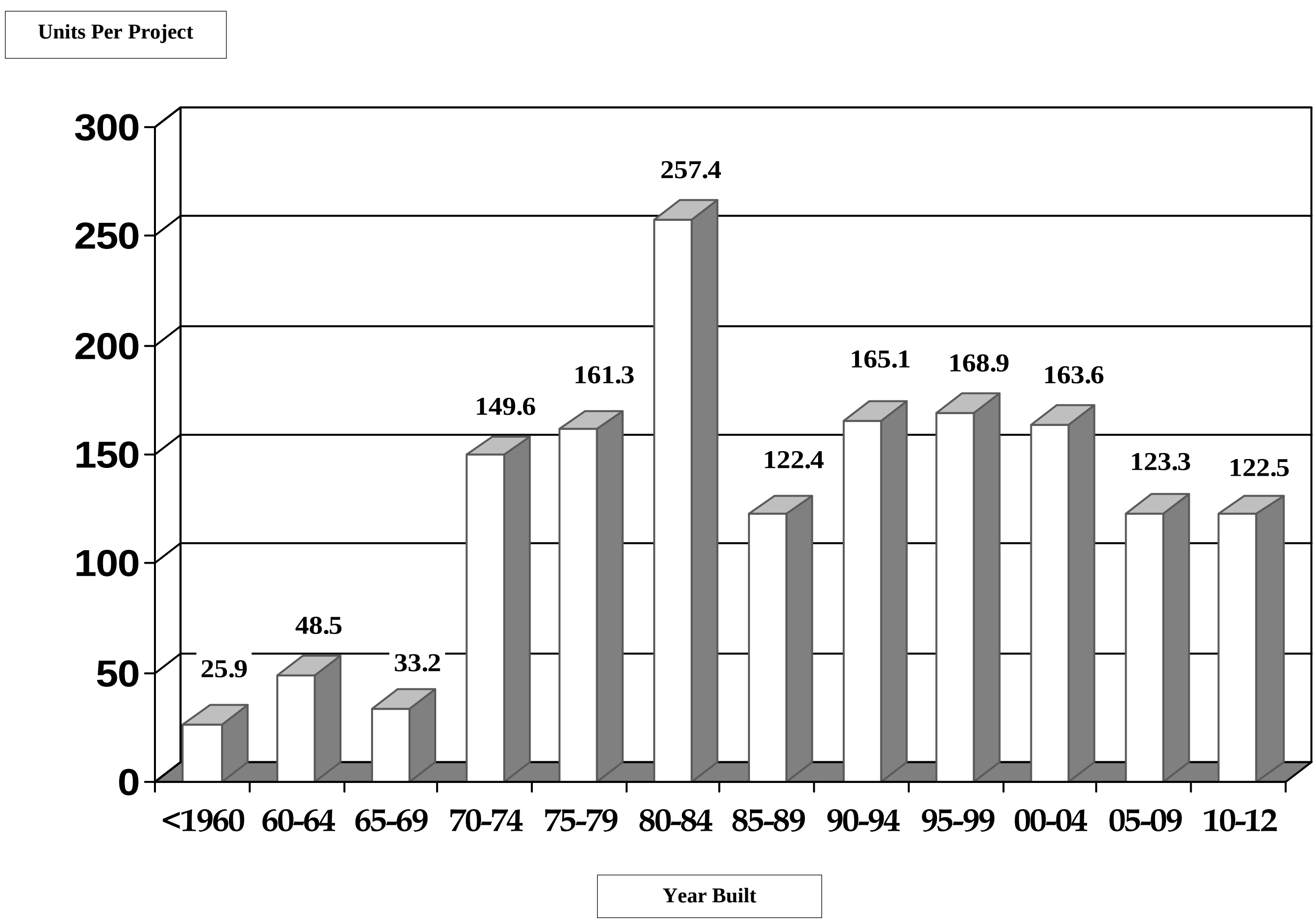
GRAPH 11
Distribution of Apartment Units by Size
June 2012



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.

GRAPH 12
Growth in Average Apartment Project Size by 5-year Increments
<1960 to 2012



Vacancy Rates

The Division's second quarter 2012 survey shows a 7.04% vacancy rate for the Greater Reno/Sparks Area. This data reflects a decrease of 1.43% in units available in the rental market.

TABLE 14
Vacancy Rates[1]
(Data by Year Project was Built)

Date Units Built	2nd Qtr. 2012 # Responding to vacancy question Projects	Units	2nd Qtr. 2012 # of Reported Vacant	Vacancy Rate 6/30/12	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
2010-2012*	**4**	**391**	*	*	*	**NA**	**NA**	**NA**	**N/A**
2005-2009	14	1,726	115	6.67%	6.36%	8.7%	14.5%	4.8%	2.6%
2000-2004	21	3,435	208	6.05%	8.13%	9.5%	13.9%	10.6%	8.8%
1995-1999	22	3,715	195	5.25%	7.12%	8.3%	10.7%	6.6%	5.0%
1990-1994	7	1,156	77	6.66%	6.25%	11.5%	8.2%	5.1%	3.5%
1985-1989	9	1,102	103	9.35%	5.50%	7.5%	8.3%	4.5%	2.3%
1980-1984	14	3,603	273	7.58%	7.21%	8.0%	9.9%	6.9%	2.9%
1975-1979	28	4,517	417	9.23%	9.98%	11.4%	13.6%	8.9%	4.5%
1970-1974	16	2,394	145	6.06%	12.42%	12.4%	13.0%	8.0%	7.9%
Pre-1970	14	525	35	6.67%	11.17%	14.8%	16.4%	13.3%	5.5%
Date unknown	4	106	0	0.00%	5.88%	7.6%	16.6%	8.7%	1.8%
Totals	149	22,279	1,568	7.04%	8.47%	10.0%	12.1%	7.9%	5.3%

[1]Vacancy data is derived from a 100.0% survey response rate to the specific vacancy rate question.
*2010-2012 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.

Vacancy Rates

Table 15 reflects that in the Greater Reno/Sparks Area, the single room occupancy 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 1.60%

TABLE 15
Reported Vacancies By Type of Unit
for All Reporting Apartment Complexes
June 2012

Apartment Type	Number of Units in Sample[1]	Vacancies by Unit Type	Vacancy Rate
Single Room Occupancy (SRO)	490	108	22.04%
Studio Apartments	1,721	177	10.28%
1-Bedroom Size Apartments	8,149	351	4.31%
2-Bedroom Size Apartments	10,249	581	5.67%
3-Bedroom Size Apartments	1,847	104	5.63%
4-Bedroom Size Apartments	313	5	1.60%

[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 16 shows that zip codes 89501, 89502, and 89512 experienced the highest percentage of vacancies within the Greater Reno/Sparks Area.

TABLE 16
Total Number of Housing Units and Vacancy Rate by Zip Code
For all Reporting Apartment Complexes
June 2009-2012

Zip Code	Total Number of Apartment Units by Zip Code 2012	Vacancy Rate (%) by Zip Code for those Apartment Complexes Reporting # of Vacancies 2012	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
89431	3,020	4.2%	5.7%	6.4%	13.4%
89433	397	2.3%	5.5%	3.1%	6.5%
89434	776	4.0%	2.4%	5.9%	8.7%
89436	1,131	5.3%	6.4%	8.2%	11.9%
89501	783	12.4%	8.8%	11.2%	10.0%
89502	4,568	10.0%	13.1%	14.8%	14.8%
89503	1,829	5.8%	9.4%	11.2%	11.1%
89506	936	8.3%	6.2%	12.1%	15.0%
89509	2,472	6.7%	4.3%	6.6%	11.1%
89511	404	7.4%	6.4%	8.4%	10.2%
89512	2,479	10.0%	11.4%	17.0%	12.4%
89521	391	4.3%	8.1%	5.4%	17.9%
89523	3,093	4.6%	8.7%	7.2%	10.4%
Total	22,279	7.0%	8.5%	10.0%	12.1%

Note: Vacancy rate does not include units that are in a rent-up phase.

Distribution of Rental Units by Zip Code

TABLE 17
Total Number of Apartment Units by Zip Code
June 2012

Zip Code	Total Number of Apartment Units by Zip Code	Percent	Cumulative %
89502	4,666	20.49	20.49
89523	3,093	13.58	34.07
89431	3,062	13.45	47.52
89512	2,479	10.89	58.41
89509	2,472	10.86	69.27
89503	1,829	8.03	77.30
89436	1,131	4.97	82.27
89506	936	4.11	86.38
89501	783	3.44	89.82
89434	776	3.41	93.23
89511	754	3.31	96.54
89433	397	1.74	98.28
89521	391	1.72	100.00
Total	22,769		

Based upon data from survey respondents, four zip code areas house more than one half of multi-family residential housing units in the Greater Reno/Sparks Area. (See Map 4, page 41.)

89502

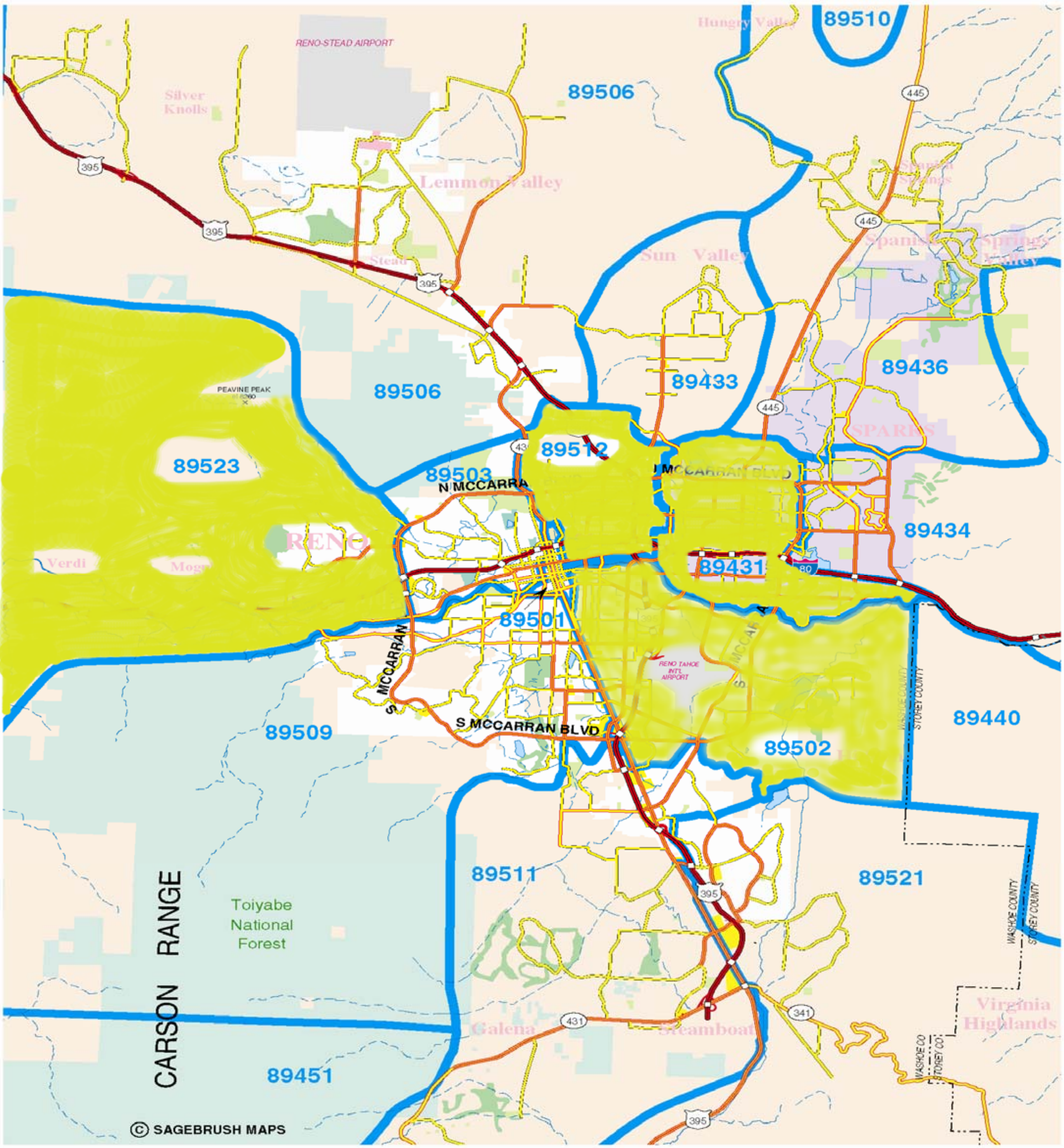
89523

89431

89512

Zip Code Map of the Greater Reno/Sparks Area

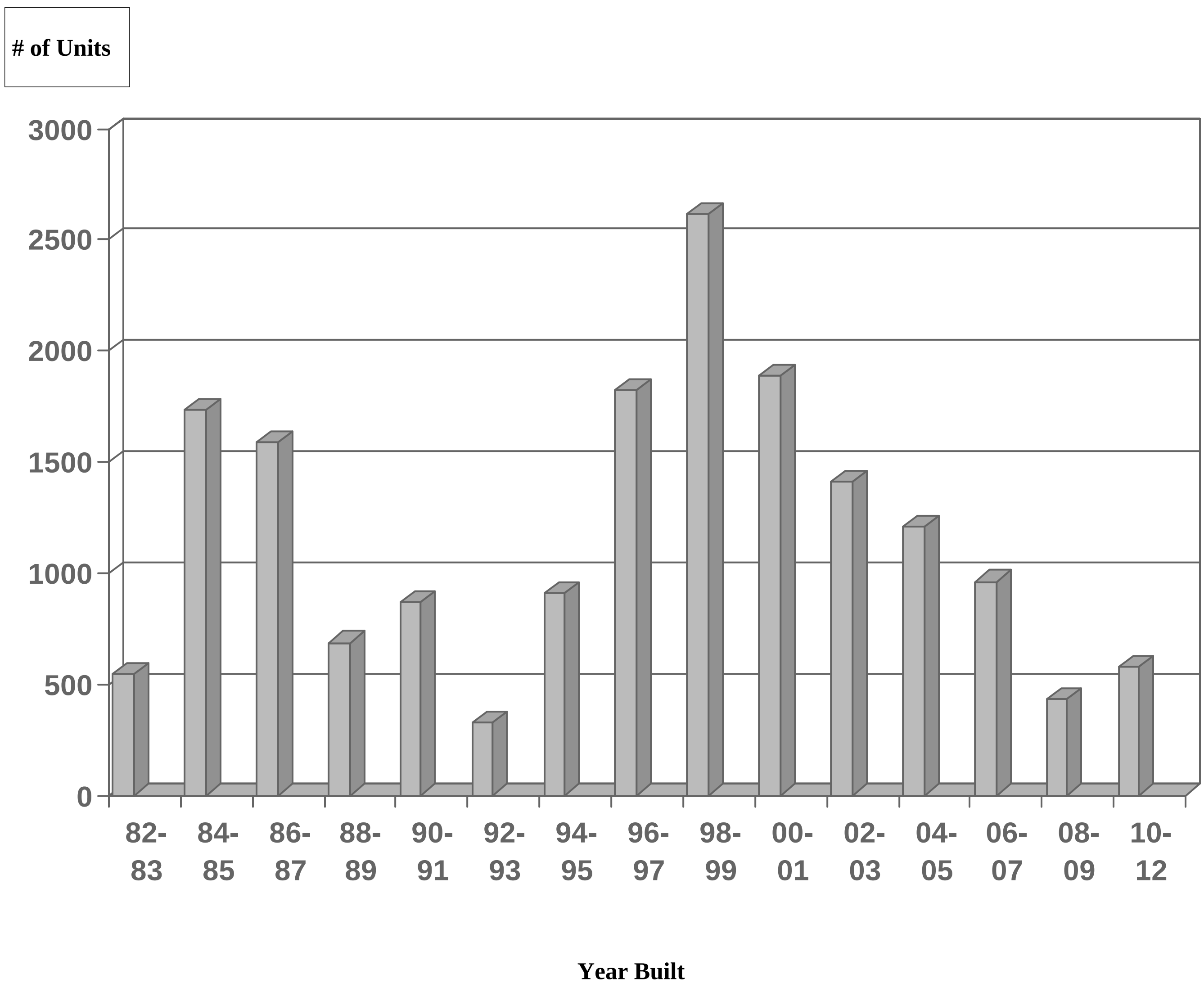
MAP 4
High Density Zip Code Areas of Residential Multi-Family Housing



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. This is a trend being experienced in all geographical areas of the state.

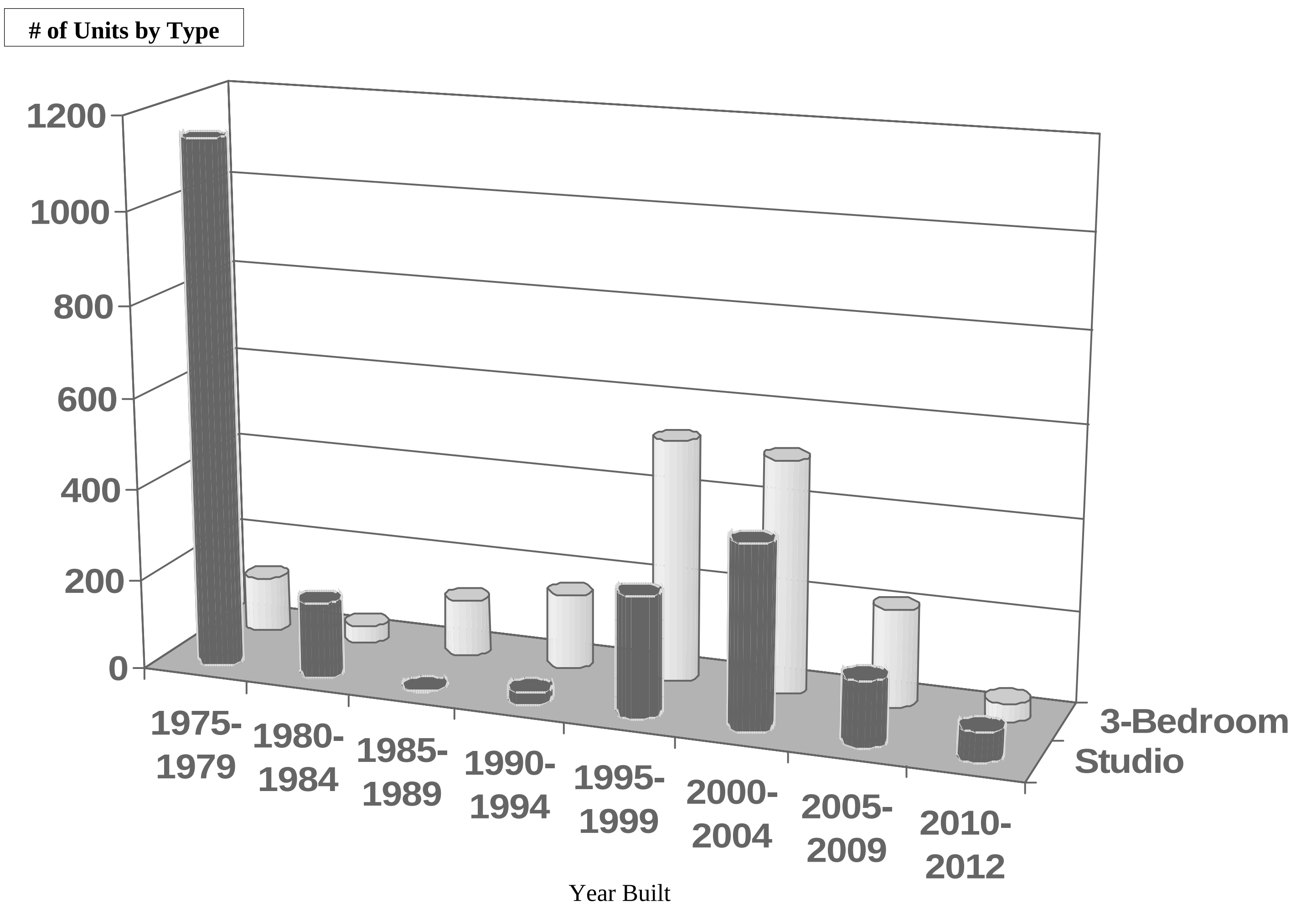
GRAPH 13
Multi-Family Units by Year Built Since 1980
1982-2012



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. Whereas, the 2010-2012 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
1975-2012



Distribution of Rents by Apartment Size

Rental rates, as of June 2012 shown in Table 18, reflect an increase in monthly rental rates for all size units in the Greater Reno/Sparks Area.

TABLE 18
Mean Rental Rates by Apartment Sizes
Market Units Rental Rate
June 2012

Date	Studio	1-Bedroom	2-Bedroom	3-Bedroom
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%
June 2012	$517.70	$665.54	$792.12	$1,028.22
% change 11-12	+4.63%	+2.74%	+3.45%	+1.24%

Distribution of Rents by Type of Apartment

Table 19 shows comparative data between market and affordable residential rental rates. Data collected from the second quarter 2011 and 2012 multi-family housing survey for the Greater Reno/Sparks Area reflects higher rental rates for market units in 2012 while lower rates are reflected for units located in designated affordable housing. The gap between market and affordable units increased significantly in all size units from 2011 to 2012. Affordable rental rates were lower than market rates among all size of units, with affordable rents ranging from 14% to nearly 20% lower than market rates.

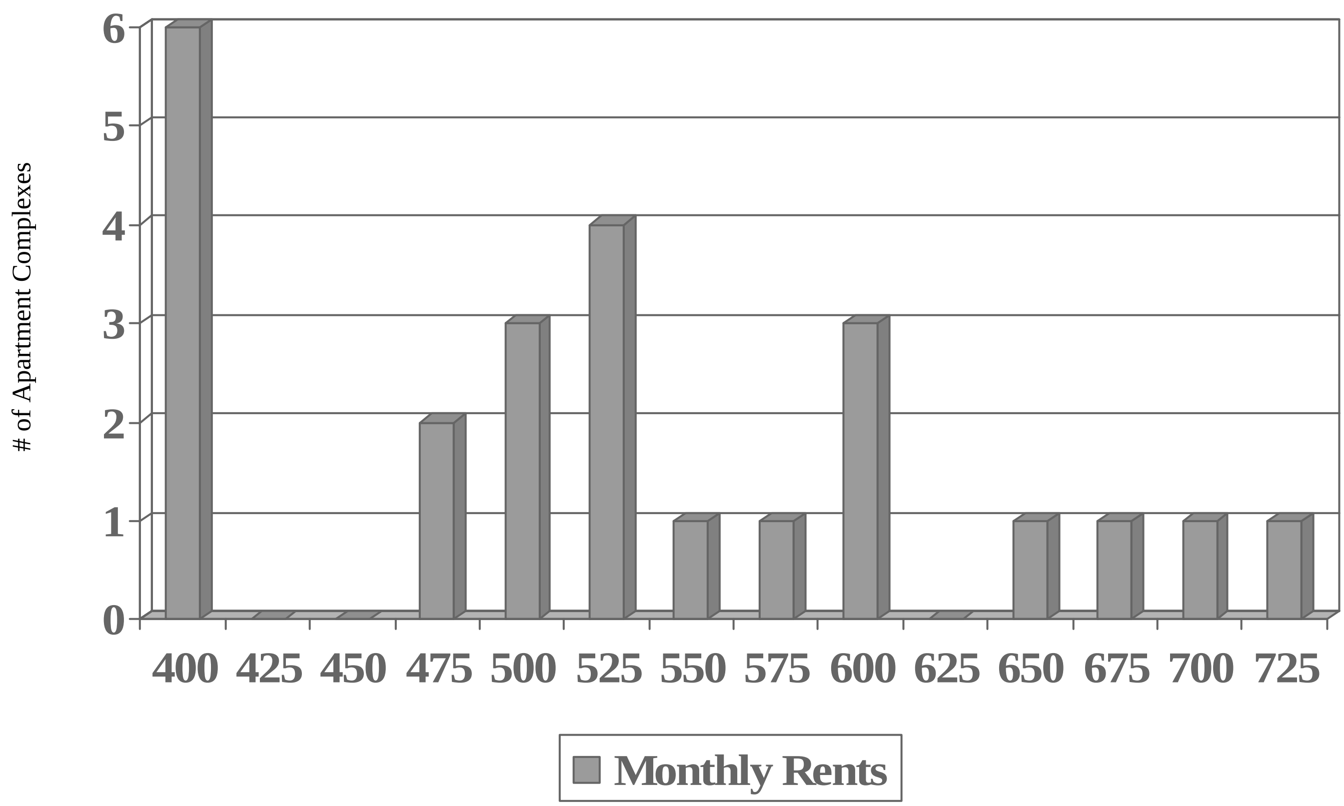
TABLE 19
Mean Rental Rates
Market Rate and Affordable Residential Rental Rate Comparison
2011-2012

Type of Units	Studio		1-Bedroom		2-Bedroom		3-Bedroom	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Market Units Rental Rate	$517.70	$494.77	$665.54	$647.81	$792.12	$765.67	$1,028.22	$1,015.65
Affordable Units[1] Rental Rate	$415.83	$503.30	$560.96	$571.17	$681.45	$700.22	$822.84	$855.45
Percentage Difference between Market-Rate and Affordable Multi-family Residential Unit Rental Rates	-19.68%	+1.72%	-15.71%	-11.83%	-13.97%	-8.55%	-19.97%	-15.77%

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

Distribution of Rents by Apartment Size

GRAPH 15
Distribution of Mean Rental Rates for Studio Apartments
Market Units Rental Rate
June 2012

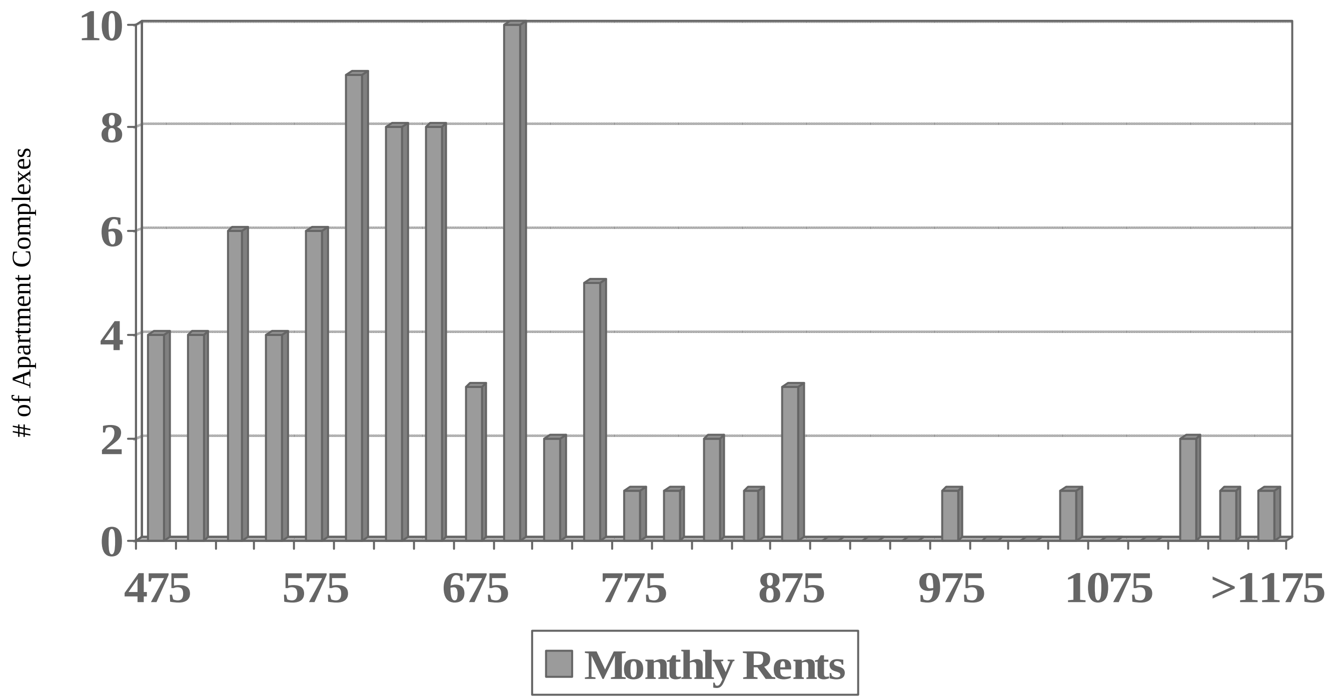


Average Low= $483.12 up .46% since 2011
Average High= $552.29 up 8.6% since 2011

Note: 24 apartment complexes reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 16
Distribution of Mean Rental Rates for 1-Bedroom Apartments
Market Units Rental Rate
June 2012

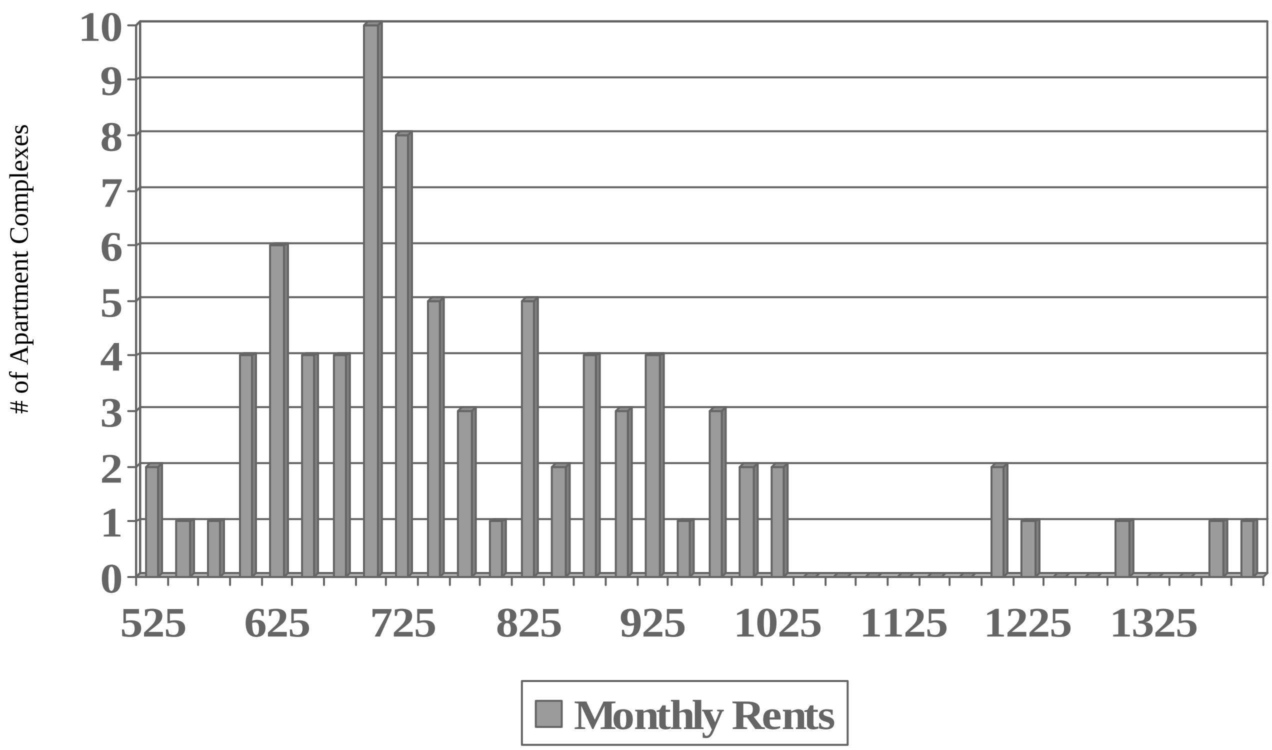


Average Low= $622.91 up .44% since 2011
Average High= $708.18 up 4.84% since 2011

Note: 83 projects reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 17
Distribution of Rental Rates for 2-Bedroom Apartments
Market Units Rental Rate
June 2012

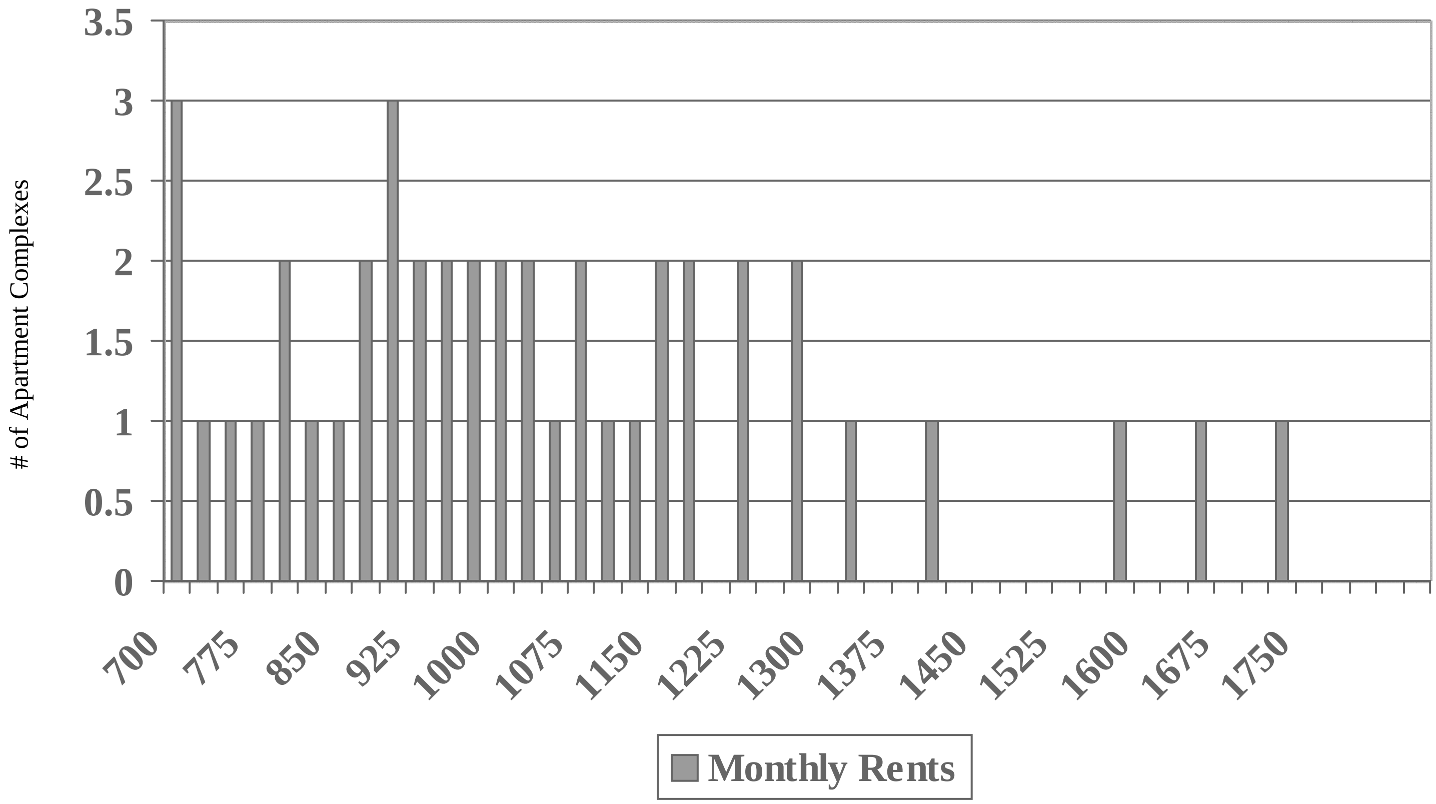


Average Low= $731.45 up 1.02% since 2011
Average High= $852.79 up 5.64% since 2011

Note: 81 apartment complexes reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 18
Distribution of Rental Rates for 3-Bedroom Apartments
Market Units Rental Rate
June 2012



Average Low= $966.51 down .64% since 2011
Average High= $1,089.93 up 2.96% since 2011

Note: 43 apartment projects reporting.

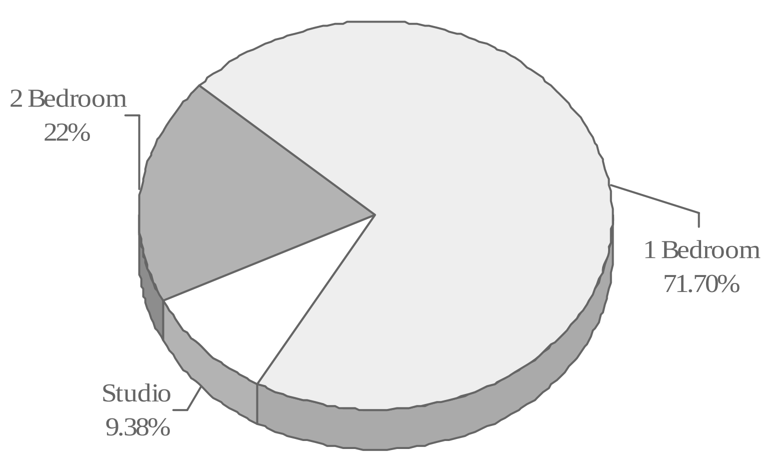
Distribution of Apartments by Type of Unit That House the 55+ Age Group

Table 20 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 20
Number of Apartments by Type of Unit that House the 55+ Age Group
2004-2012

Apartments Targeting 55+	Total Units	SRO	Studios	1-Bedroom	2-Bedroom	3-Bedroom
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	--	137	649	222	1
Apartments (6/12)	1,237	31	113	864	228	1

GRAPH 19
Percentage Distribution of Apartments by Type of Unit that House the 55+ Age Group (June 2012)



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

Table 21 data reflects the survey's inventory of apartments by zip code that target housing for the 55+ age group. More than one-third of this housing inventory is located within zip code 89512. In contrast, the highest vacancy rate is in an area adjacent to zip code 89512 with nearly 18% of the housing targeted or preferred by the 55+ age group. (Refer to map 5, page 52.)

Table 21
Number of Apartment Units by Zip Code that House the 55+ Age Group
2012

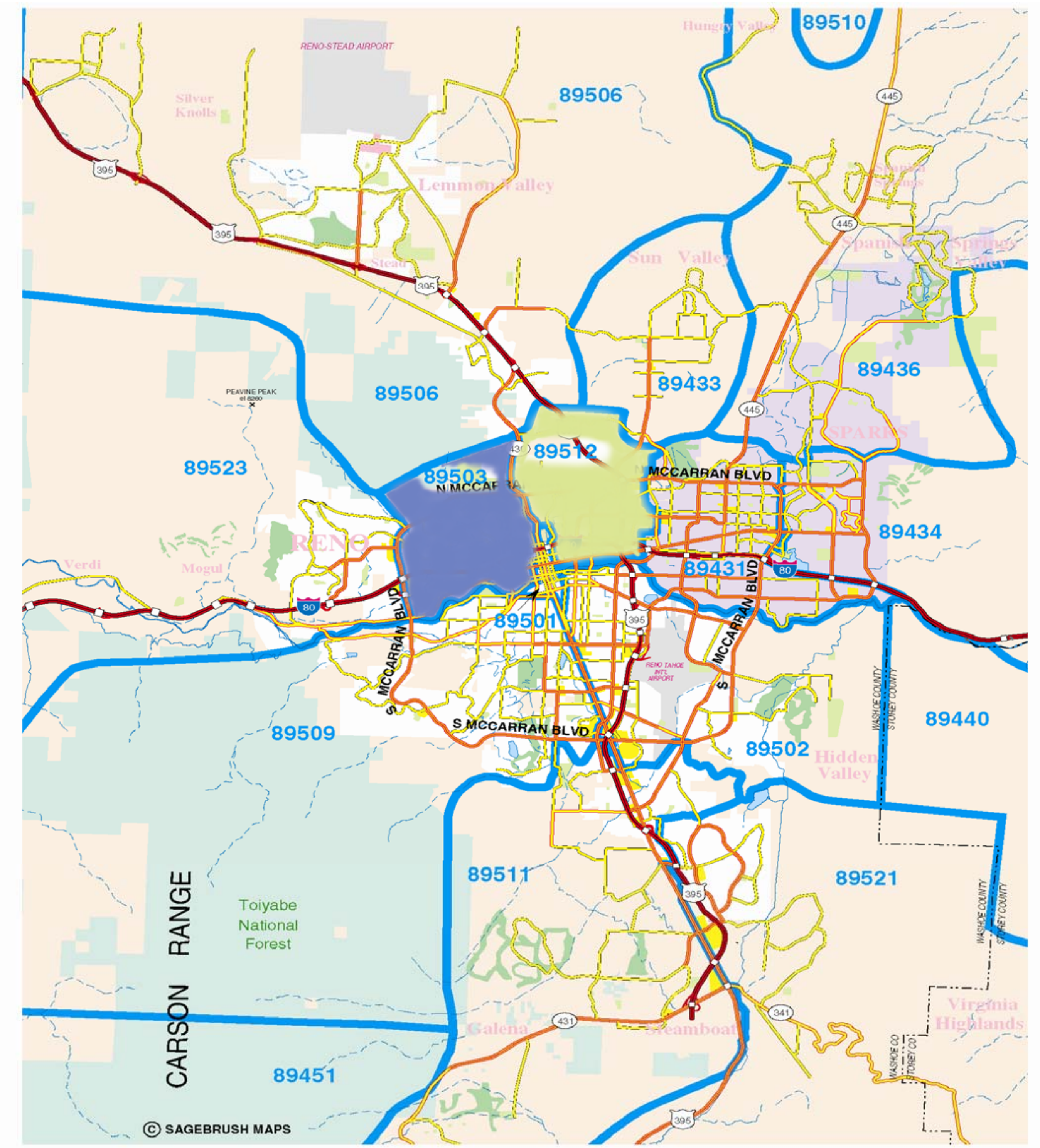
Zip Code	Number of Units	% of Total	Cumulative %
89431	197	15.92	15.92
89501	115	9.30	25.22
89502	225	18.19	43.41
89503	222	17.95	61.36
89512	478	38.64	100.00
Total	1,237		

Table 22
Vacancy Rates Percentage by Zip Code that House the 55+ Age Group
2012

Zip Code	Number of Units	# of Vacancies	Vacancy Rate
89431	197	1	.51%
89501	115	4	3.48%
89502	225	3	1.33%
89503	222	22	9.91%
89512	478	12	2.51%
Total	1,237	42	3.39%

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

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



Denotes area with highest vacancy rate

Denotes area with highest density

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

TABLE 23
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
89012	--	$455.00	--
89431	$386.50	--	--
89502	$769.00	$705.50	$954.00
89503	--	$557.50	$615.00

Affordable Units[1] Rental Rates

Zip Code	Studio Apartments	1-BR Apartments	2-BR Apartments
89431	--	$486.00	$700.83
89501	--	$587.50	$707.00
89502	--	$474.25	$686.50
89503	--	$602.50	$722.50
89512	$371.00	$641.17	$628.75

TABLE 23-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	$577.75	$605.87	$784.50
Affordable Units[1] Rental Rate	$554.25	$583.68	$684.72
Percentage Difference between Affordable and Market Rate Multi-Family Residential Unit Rental Rates	-4.07%	-3.66%	-12.72%

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

Section III

Rural Nevada

Rural Nevada Apartment Survey Study

Key Points

Key findings from the 2nd Quarter 2012 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 47% of the multi-family housing inventory comprising this size housing.
2. The overall vacancy rate for the rural area is 8.31%, a decrease of 1.04% over 2011 data.
3. The rural area's data reflected vacancy rate of 8.31% compares to the Greater Las Vegas Area's rate of 8.95% and the Greater Reno/Sparks Area's rate of 7.04%.
4. Based upon 2nd quarter 2012's data, the average vacancy rate for the state's rental market is 8.1%, a decrease of 1.14% from 2011's data.
5. The highest vacancy rate in rural Nevada is for those units constructed from 1995 to 1999. It can be reasonably be assumed that the geographical location of the multi-family projects is an influencing factor.
6. The lowest vacancy rate is in the one bedroom size units, with a 4.66% vacancy rate.
7. The significantly highest vacancy rate is for the studio size rental units with a reported 20% vacancy rate.
8. For Rural Nevada, affordable residential unit's[1] rental rates are lower in all-size units, with exception to the one-bedroom size units that reflect a rental rate of +5.79% over the unrestricted market rate units.
9. The cities of Carson City and Laughlin in Rural Nevada show the highest number of multi-family residential rental units available to house the 55+ age group.
10. Rental housing for the 55+ age group shows 70.6% of this age group prefer to reside in one-bedroom residential units.
11. The vacancy rate for the 55+ age group's housing in the rural areas is 7.32%, compared to a 7.70% vacancy rate in the Greater Las Vegas Valley and 3.39% for the Greater Reno/Sparks Area.

“ The cities of Carson City and Laughlin in Rural Nevada show the highest number of multi-family residential rental units available to house the 55+ age group.”

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

Table 24
Market Rate Mean Rental Rates by Apartment Sizes for all Areas in Nevada
June 2012

Area	Studio	1-Bedroom	2-Bedroom	3-Bedroom
Greater Las Vegas Valley	$518.89	$671.45	$797.70	$993.25
Greater Reno/Sparks Area	$517.70	$665.54	$792.12	$1,028.22
Rural Nevada	$499.28	$590.42	$676.48	$829.11

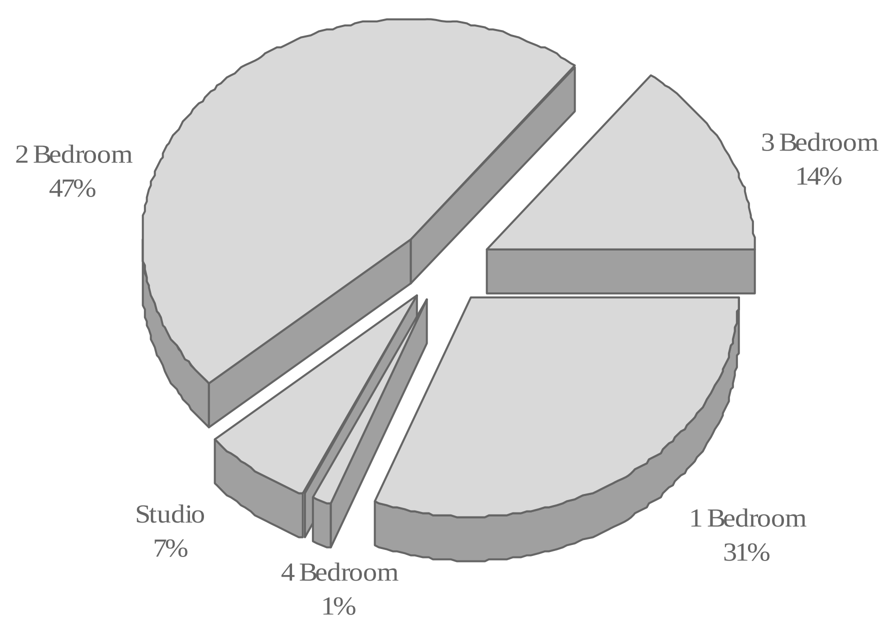
Distribution of Apartments by Type of Unit

TABLE 25
Number of Apartments in Rural Nevada by Type of Unit
June 2012

	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
June 2012	5,672	0[1]	375	1,757	2,669	815	56

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

GRAPH 20
Distribution of Apartment Units in Rural Nevada by Size
June 2012



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

Description	June 2009	June 2010	June 2011	June 2012
Total # of apartment complexes identified	119	119	135	137
Total # of apartment units identified	7,804	7,869	8,749	8,863
# of identified rental units where there was no response, or owners and/or managers refused to participate, or mail was returned	1,540	1,124	2,501	3,191
Total # of apartment rental units validated for database	6,264	6,745	6,248	5,672

Vacancy Rates

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

Date Units Built	2nd Qtr. 2012 # Responding to vacancy question Projects	Units	2nd Qtr. 2012 # of Reported Vacant Units	Vacancy Rate 6/30/12	Vacancy Rate 6/30/11	Vacancy Rate 6/30/10	Vacancy Rate 6/30/09	Vacancy Rate 6/30/08
2010-2012	**4**	**513**	--		--	--	--	--
2005-2009	8	589	9	1.53%	1.81%	3.02%	4.42%	4.60%
2000-2004	8	500	27	5.40%	5.40%	4.15%	7.32%	7.42%
1995-1999	18	790	137	17.34%	17.81%	19.63%	19.26%	8.06%
1990-1994	13	688	17	2.47%	4.22%	4.14%	4.73%	4.67%
1985-1989	9	862	65	7.54%	10.80%	15.16%	10.63%	4.26%
1980-1984	7	527	53	10.06%	12.30%	15.88%	19.12%	60.61%
1975-1979	5	510	76	14.90%	10.76%	11.42%	12.46%	7.99%
1970-1974	4	351	34	9.69%	10.58%	14.52%	10.77%	4.70%
Pre-1970	0	0	--	--	13.89%	18.96%	--	3.45%
Date unknown	11	342	11	3.22%	10.10%	15.13%	13.97%	5.48%
Totals	83	5,159	429	8.31%	9.35%	11.70%	11.97%	6.45%

TABLE 27
Reported Vacancies By Type of Unit
for All Reporting Apartment Complexes
June 2012

Apartment Type	Number of Units in Sample[1]	Vacancies by Unit Type	Vacancy Rate
Studio Apartments	375	75	20.0%
1-Bedroom Size Apartments	1,631	76	4.66%
2-Bedroom Size Apartments	2,343	223	9.52%
3-Bedroom Size Apartments	754	52	6.90%
4-Bedroom Size Apartments	56	3	5.36%

[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.

Distribution of Rents by Apartment Size

TABLE 28
Mean Rental Rates by Apartment Sizes
Market Units Rental Rates
June 2012

Date	Studio	1-Bedroom	2-Bedroom	3-Bedroom
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%
June 2012	$499.28	$590.42	$676.48	$829.11
% change 11-12	+10.67%	-1.62%	-1.00%	-.74%

TABLE 29
Market Rate and Affordable Rental Rate Comparison
June 2012

Type of Units	Studio		1-Bedroom		2-Bedroom		3-Bedroom	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Market Units Rental Rate	$499.28	$451.12	$590.42	$600.15	$676.48	$683.30	$829.11	$835.27
Affordable Units[1] Rental Rate	$349.50	$350.00	$624.59	$581.47	$665.41	$610.24	$741.73	$705.57
Percentage Difference between Affordable and Market-Rate Multi-family Residential Unit Rental Rates	-30.0%	-22.41%	+5.79%	-3.11%	-1.64%	-10.69%	-10.54%	-15.53%

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

Distribution of Apartments by Geographical Area

Table 30
Number of Multi-Family Rental Residential Units by Geographical Area
Rural Nevada 2012

Area	Total Number of Units	# of Units Identified for Housing the 55+ Age Group
Battle Mountain	--	--
Beatty	20	20
Carson City	2,113	322
Dayton	70	--
Elko	316	92
Ely	185	44
Eureka	12	12
Fallon	319	86
Fernley	172	90
Gardnerville	142	--
Jackpot	--	--
Laughlin	1,065	150
Lovelock	64	--
Mesquite	287	24
Minden	57	--
Overton	10	--
Pahrump	60	--
Searchlight	24	24
Silver Springs	24	24
Stateline	70	--
Tonopah	24	--
Wendover	148	--
West Wendover	130	--
Winnemucca	254	68
Yerington	106	52
Total	5,672	1,008

-- No information submitted from this geographical area

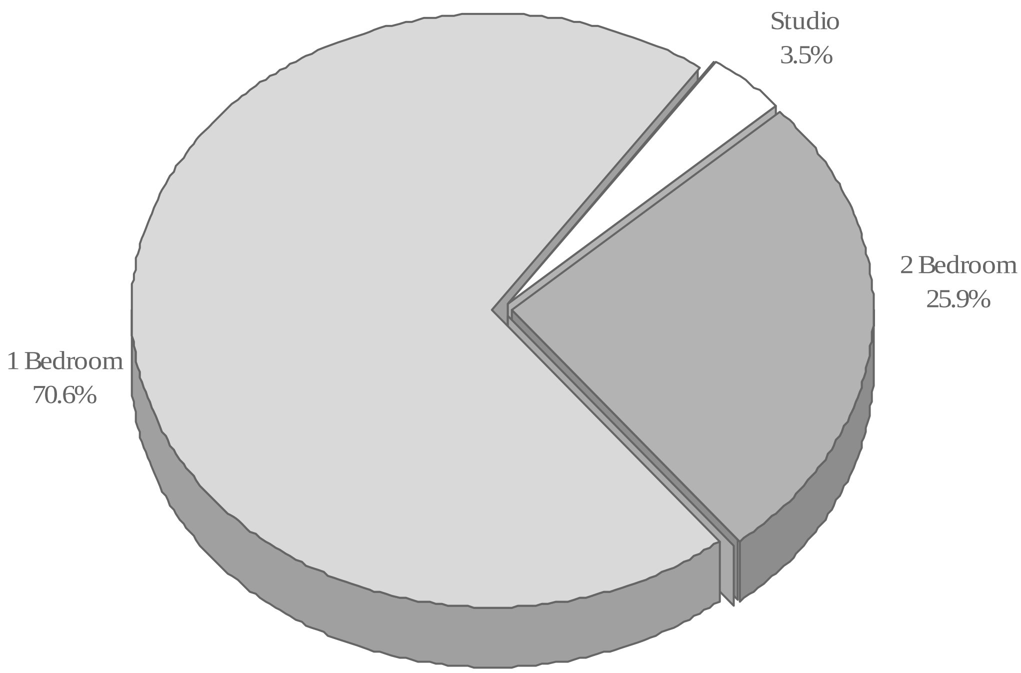
Distribution of Apartments by Type of Unit that House the 55+ Age Group

The following table and graph show that nearly 71 percent of the preferred rental housing in rural Nevada's 55+ age group is one-bedroom in size.

Table 31
Number of Apartments by Type of Unit
55+ Age Group
2012

Total # of Units	Studio	1-Bedroom	2-Bedroom
1,008	35	712	261

GRAPH 21
Distribution of Apartment Units by Size
June 2012



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 32
Vacancy Rate of Apartment Rental Units
55+ Age Group
2012

Geographical Area	Number of Units	#of Units Reported to be Vacant	Vacancy Rate
Rural Nevada	1,175	86	7.32%
Greater Las Vegas Valley	7,542	581	7.70%
Greater Reno/Sparks Area	1,237	42	3.39%