

# APARTMENT SURVEY

JANUARY 2012  
(4<sup>TH</sup> QUARTER 2011 DATA)

RENO/SPARKS METRO AREA

PRESENTED BY

JOHNSON-PERKINS & ASSOCIATES, INC.



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***ACKNOWLEDGEMENTS***

We would like to thank all participating management companies, municipalities, and the Survey Committee for their invaluable contributions to the design and content of this report.

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## ***STATEMENT OF METHODOLOGY***

The information presented in this report was collected and assembled from a combination of original research and secondary sources. This section summarizes the methods used in gathering the data.

### **Sources**

The survey data is collected on a quarterly basis from participating apartment managers, management companies and owners. All information collected from individual complexes is completely confidential and only aggregate statistics are reported. The information furnished by the survey participants is considered reliable. However, the Survey Committee makes no warranty as to the reliability of the data and assumes no legal responsibility for the use of the data from the survey.

### **Survey Criteria**

- The projects have 80 units or more in the Reno/Sparks service area;
- The projects reflect market rents. Affordable housing, student and senior housing projects are excluded;
- New projects have reached a stabilized occupancy of at least 90%;
- The projects have a competitive on-site management program; and
- A willingness of the on-site manager to participate in the survey.

The results of this survey depict the operating conditions of the average of 19,740 units reported. A total of 77 projects were surveyed. We believe the statistics presented here are representative of the overall conditions of the Reno-Sparks Survey Area.

### **Survey Modifications**

Lakeridge East Apartments was added to the 4<sup>th</sup> Quarter 2011 Survey. In addition, Northgate Villas has changed its name to Green Leaf Pines.

### **Vacancy and Rents**

The overall vacancy rate increased for the first time since January 2011, while the average rental rate decreased \$18 per unit. The **4<sup>th</sup> Quarter 2011** Survey indicates an overall vacancy rate of **6.56%**, indicating an increase of 118 basis points over the previous quarter. The **4<sup>th</sup> Quarter 2011** Survey indicates an overall rent of **\$822**, indicating a decrease of \$18 per unit or 2.14% over the previous quarter.

<b>OVERALL COMPARISON</b>			
	3 <sup>rd</sup> Quarter 2011	4 <sup>th</sup> Quarter 2011	Change
Average Vacancy	5.38%	6.56%	+118 Basis Points
Average Rent	\$840	\$822	<b>(2.14%)</b>

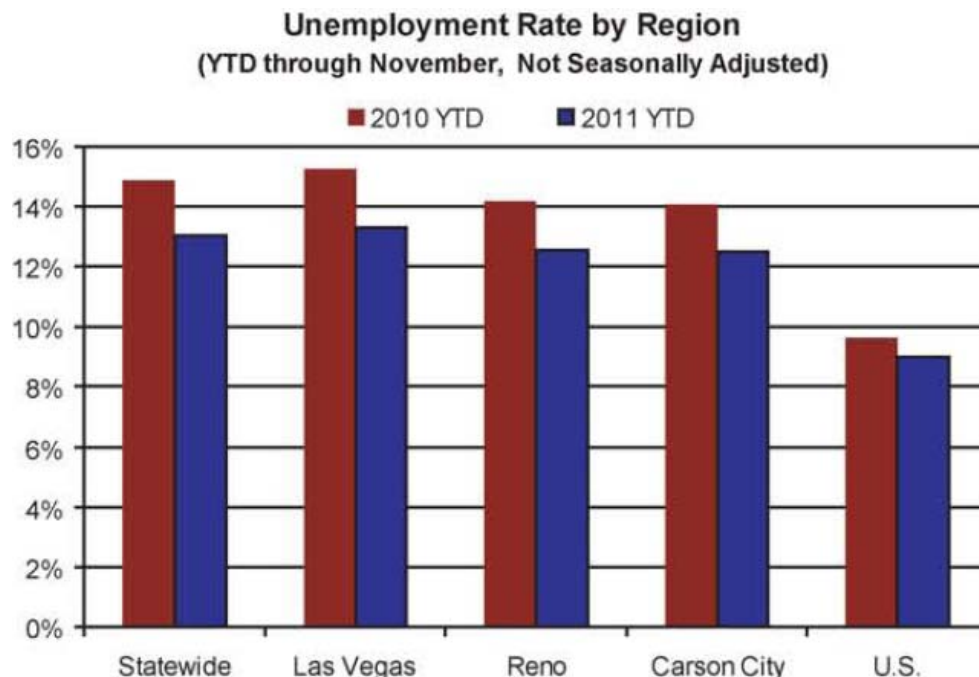
## **Economic Outlook**

According to the State of Nevada Department of Employment, Training and Rehabilitation (DETR), Nevada's unemployment rate in November 2011 was 12.2%. According to Governor Brian Sandoval, "This month's unemployment number, while still unacceptably high, shows that we are starting to see steady increases in hiring. In addition to a trend of adding jobs on a consistent basis, we are beginning to see increased signs of growth. While the recovery remains fragile, it appears economic growth will come at a modest and steady pace." According to Bill Anderson, DETR's chief economist, "Nevada's economy continued on a path of stabilization in November, while showing modest improvement overall."

In November 2011, Nevada's non-seasonally adjusted unemployment rate was 4.0 percentage points higher than the national average. DETR reports the non-seasonally adjusted unemployment rate as of November 2011 for the Reno-Sparks MSA was 11.6%, while the State of Nevada was 12.2%. The national average was 8.2% for the month of November 2011.

According to DETR, the unemployment rate for the State of Nevada ranged from 3.8% to 6.4% from January 2004 to June 2008. From July 2008 to November 2010, the unemployment rate ranged from 6.9% to 14.5%. That is an increase of 7.6 percentage points for the State of Nevada unemployment rate in nearly two and one half years. To put into perspective the state of the economy, from January 2010 to November 2011, the State of Nevada unemployment rate ranged from a low of 11.9% in April 2011 to a high of 15.3% in January 2010. From January 2011 to November 2011, Nevada's unemployment rate has averaged 13.04%.

The Reno-Sparks overall vacancy rate increased for the first time since January 2011, while the average rental rate decreased \$18 per unit. For the Fourth Quarter 2011, the overall average vacancy rate for the Reno-Sparks market is 6.56%, while the overall average rent is \$822.



Source: Nevada Department of Employment, Training and Rehabilitation Economic Summary November 2011





























































