

NHD APARTMENT FACTS



An Apartment Report
of the
Reno/Sparks Area



Nevada
Department of Business & Industry
HOUSING DIVISION

Second Quarter 2000

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The Division

The Nevada Housing Division Conducts 1st Annual Multi-Family Housing Survey of the Greater Reno-Sparks Area

The Nevada Department of Business and Industry's Housing Division, created by the Nevada Legislature in 1975, is charged with the responsibility of providing affordable housing for the state's low- to moderate-income citizens.

Since its inception, the Division has assisted more than 18,400 families statewide achieve their homeownership dream. It has also provided assistance to build more than 14,000 multifamily housing units for those families seeking rental housing. Of this total, more than 4,600 have been located in the Greater Reno-Sparks Area.

The Housing Division's Multifamily program assists those families whose annual income range from 30 percent to 60 percent of median income. Statewide median family income is \$53,600

NHD's Multifamily Programs

- ◆ Bond Program
- ◆ Low Income Housing Tax Credit Program (LIHTC)
- ◆ Account for Low-Income Housing Trust Fund
- ◆ HOME Investment Partnerships Program (HOME)

(see page 24 for detail description of programs)

Second Quarter 2000 marks the 1st year that the Nevada Housing Division has conducted a multi-family housing survey for the Greater

Reno-Sparks

The Survey

Goals and Objectives

For the past four years, the Housing Division's staff has conducted a multifamily housing survey for the Greater Las Vegas Valley.

This year marks the first year for the Division's implementation of a similar survey for the Reno-Sparks Area. To start the process of data collection and developing a multifamily housing inventory base for this part of the State, the Division contracted with Bay Area Economics (BAE) with offices in Berkeley, CA., San Francisco, CA., and Washington, D.C., for assistance.

The Housing Division staff will continue data collection for an annual survey in the future.

Nevada's population growth continues to have a significant impact on housing construction. As a result of this growth, the Nevada Housing Division has found it important to undertake an annual fact-finding mission to assist short-term and long-range planning processes. The Division continues this data collection effort with the production of its first annual report documenting new multifamily units and tracking vacancies and rental rates for existing multi-family housing units in the Reno-Sparks Area.

The primary reasons the Housing Division continues this task are to:

- 1) Create a comprehensive data base 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.

A number of housing studies and forecasts either have been or are being developed; the Housing Division's survey is targeted to assist in creating validity and credibility to the diverse body of planning data.

It is also the intent of the Division to create and maintain a survey data base that will track movement of housing data over time and track supply and demand of affordable housing units.

The first report for the Reno-Sparks Area tracks multi-family housing from an inventory base representing 184 apartment complexes.

Reno/Sparks Area Apartment Inventory Study— Key Points

Data collected by the Division's interview team reflects the status of the Reno-Sparks Area's multifamily housing market as it existed during the 2nd quarter 2000 data collection period.

Key points from data collected from the second quarter 2000 survey of apartment complexes representing 25,007 units reflect the following:

- The vacancy rate data shows a tightening of supply of available rental units, but remains at near normal levels for a healthy market. Data reflects no major abnormalities, nor distortions in supply or demand of total rental stock.
- The two-bedroom size units are the most prevalent unit type, comprising 48% of the Area's apartment units.
- There has been a steady increase in the average size of apartment projects with apartment projects built since 1985 averaging over 184 units per complex.
- The majority of new apartment unit types built since 1975 in the Reno-Sparks Area are one- and two-bedroom units.
- One-bedroom size apartment units are the most popular unit type for those complexes targeting the active 55+ age group.
- Vacancy rates for the 55+ active senior apartment complexes is nearly double that of non-targeted 55+ units. Data shows a 8.2% vacancy rate for active senior apartments versus 4.8% for non-senior targeted apartments.
- 69% of all assisted living units in the Reno-Sparks Area have been constructed since 1996.

Distribution of Apartments by Type of Unit

The split of unit types shows that the two bedroom remains the most popular unit type, comprising 48% of the Area's apartment units.

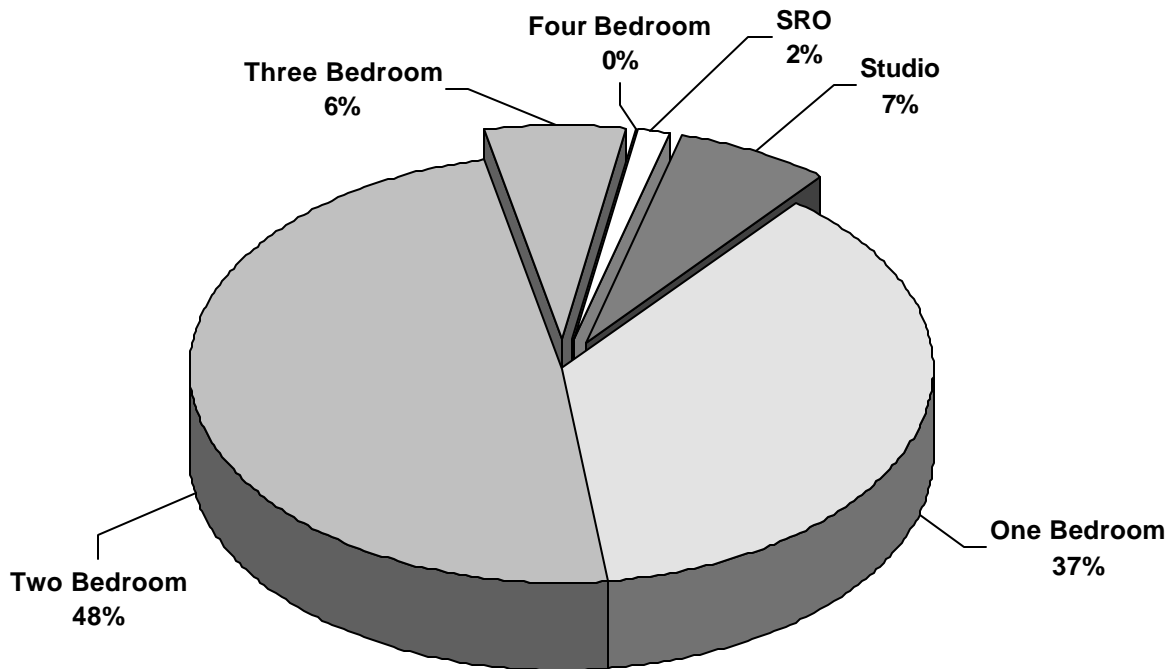
TABLE 1
Number of Apartments by Type of Unit
June 2000

	Total Units (a)	Units in Completed Surveys (b)	SRO	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
June 2000	25,007	16,556	252	1,090	6,147	8,065	983	19

Notes:

- (a) Total Units includes all units in database where total unit count is known.
- (b) Completed surveys include those that responded to unit breakdown question (121 of 188). The remainder (67) declined to provide detailed unit breakdowns, or did not have this information available.

GRAPH 1
Distribution of Apartment Units by Size
June 2000

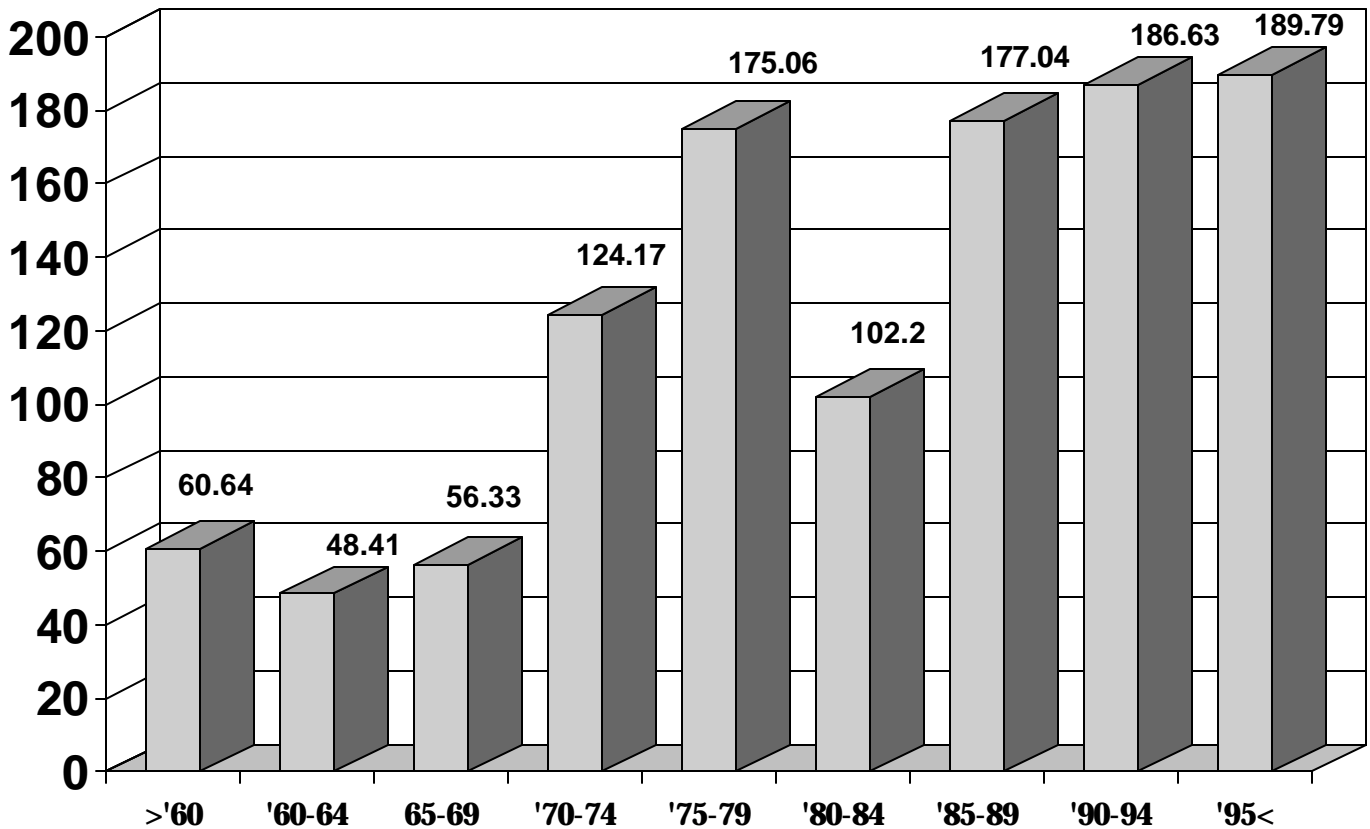


Growth in Average Apartment Project Size

Since the 1960's, there has been a steady increase in the average size of apartment projects. Apartment projects built since 1985 have averaged over 184 units per complex.

GRAPH 2
Growth in Average Apartment Project Size
June 2000

Units per Project



Year Built

Vacancy Rates

The vacancy rates reflected in the Division's 2000 point-in-time survey indicate healthy demand for rental units in complexes of all ages. The second quarter 2000 survey data show an overall Reno-Sparks Area vacancy rate of 4.6%, indicating a good balance between rental apartment supply and demand.

TABLE 2
Vacancy Rates in the Reno-Sparks Area
 (Data by Year Project was Built)

Date Project Built	Number of Projects (a)	Number of Units	Number of Units Responding to Vacancy Question	Number of Units Vacant (b)	Average Vacancy Rate (6/30/00)
2000 only	2	492	364	(c)	(c)
1999 only (d)	6	1,079	655	54	8.2%
1995 to 1998	16	2,984	2,761	155	5.6%
1990 to 1994	8	1,493	1,193	69	5.8%
1985 to 1989	27	4,780	3,506	199	5.7%
1980 to 1984	21	2,155	925	41	4.4%
1975 to 1979	37	6,302	4,893	144	2.9%
1970 to 1974	30	3,725	3,305	130	3.9%
Pre-1970	37	1,997	1,635	93	5.7%
Totals	184	25,007	18,218	831	4.6%

Notes:

- (a) Total number of projects is 188, however, four projects did not have any age information.
- (b) Vacancy data is derived from a 73 percent telephone survey response to the specific vacancy rate question and are the findings from responses of those apartment complexes constructed prior to June 1999.
- (c) Data for year 2000 units still currently under construction or in first phase of lease up period is not included in the totals or in determining the Reno-Sparks area overall vacancy rate.
- (d) A number of units built after 1999 (cut off year) are still in lease up period and vacancy data shown is not included in the totals or in determining the overall Area vacancy rate.

Vacancy Rates and Type of Units by Zip Code

TABLE 3
Vacancies and Units by Zip Code
 June 2000

Zip Code	Total # Of Units	Vacancy Rate (a)	Number of Studios	Number of One Bedrooms	Number of Two Bedrooms	Number of Three or More Bedrooms
89502	5,524	4.1%	126	1,622	1,671	270
89509	3,429	4.6%	253	776	1,432	160
89431	3,172	3.3%	97	859	1,132	20
89511	2,984	12.7%	-	602	871	139
89503	2,925	6.5%	309	802	553	110
89434	1,942	6.3%	-	445	739	56
89523	1,817	4.3%	-	492	922	25
89512	1,325	4.8%	360	325	190	4
89506	846	9.2%	-	30	302	113
89504	645	4.3%	197	123	81	25
89434	152	n/a	-	32	40	80
89433	147	4.1%	-	23	124	-
89505	43	n/a	-	-	-	-
89504	32	n/a	-	-	-	-
89513	24	8.3%	-	16	8	-

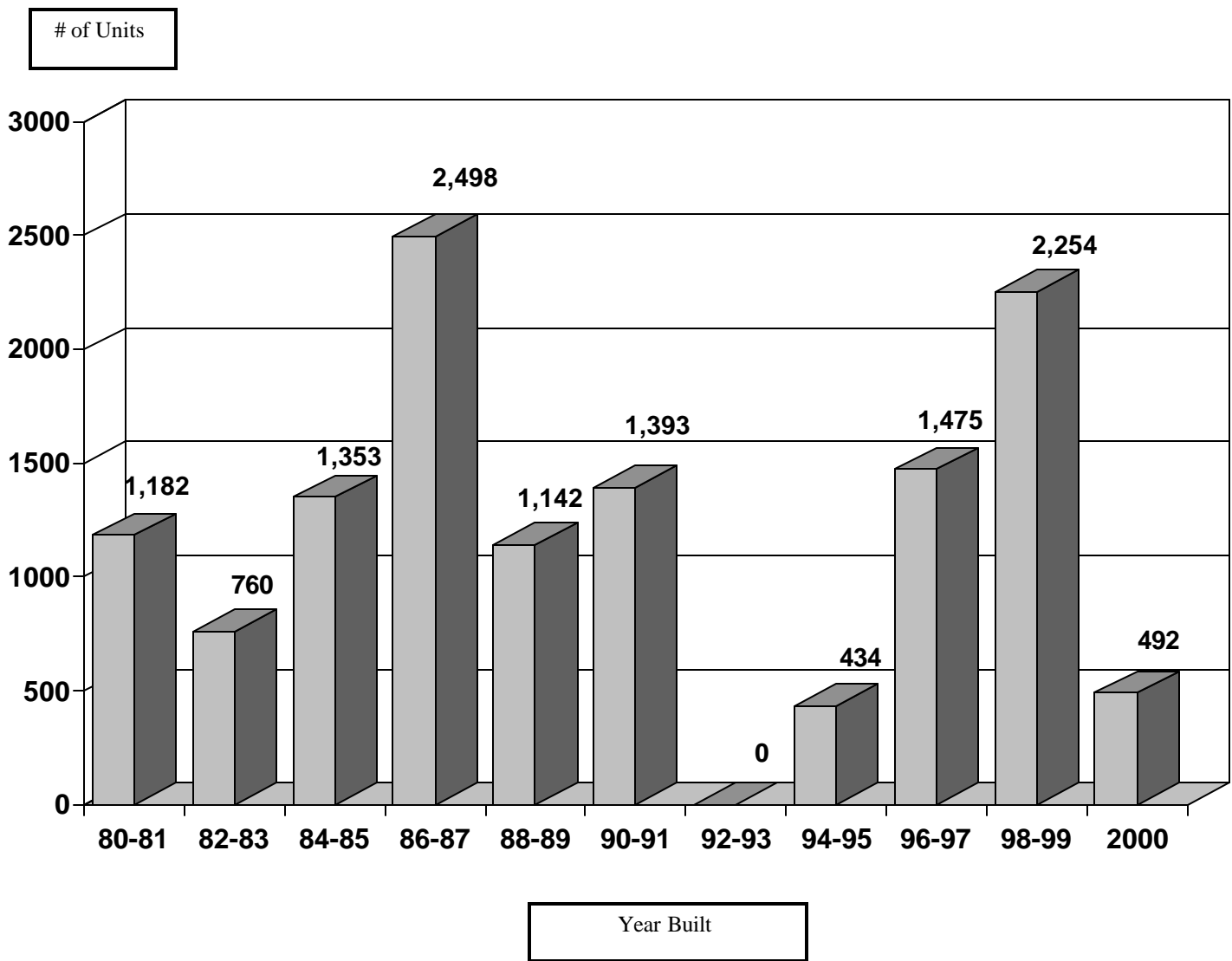
Notes:

- (a) Vacancy rate calculated on the total number of units responding to the vacancy question and not the total number of units.

Number of Apartment Units By Year Built

The years 1986-87 produced the greatest number of new apartment units in the Reno-Sparks Area, with the 1998-99 period ranking second for the production of new apartment units.

GRAPH 3
Apartments by Year Built
June 2000



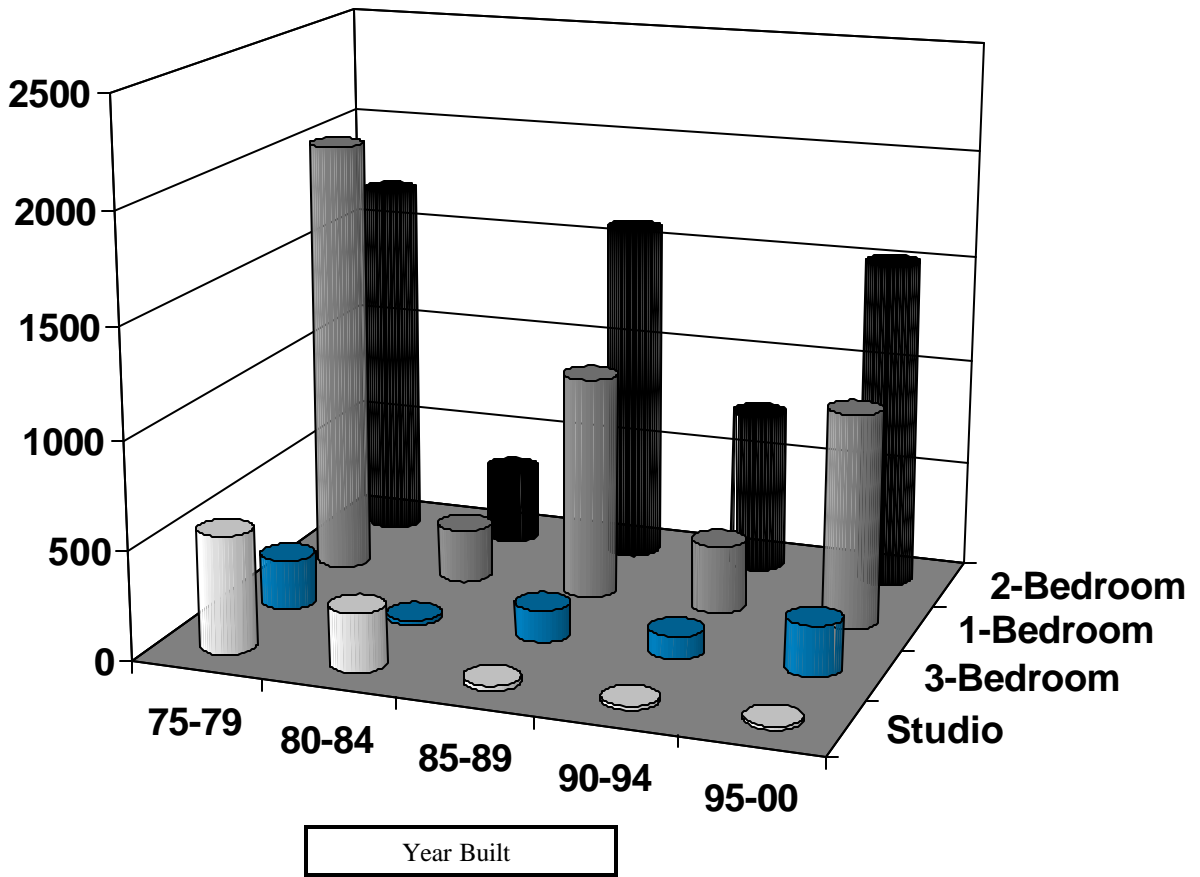
Note: 2000 data represents apartment units currently under construction or on-line for rental from 1/100 to 6/3000. Also, no information was available for years 1992-93.

Mix of Apartment Unit Types By Year Built

There has been a steady decrease in the number of studio-sized apartments and a corresponding increase in three-bedroom apartments being built in the Reno-Sparks Area since 1975. The majority of new unit types built since 1975 are one- and two-bedroom units.

GRAPH 4
Apartment Unit Types by Year Built
 June 2000

of Units by Type



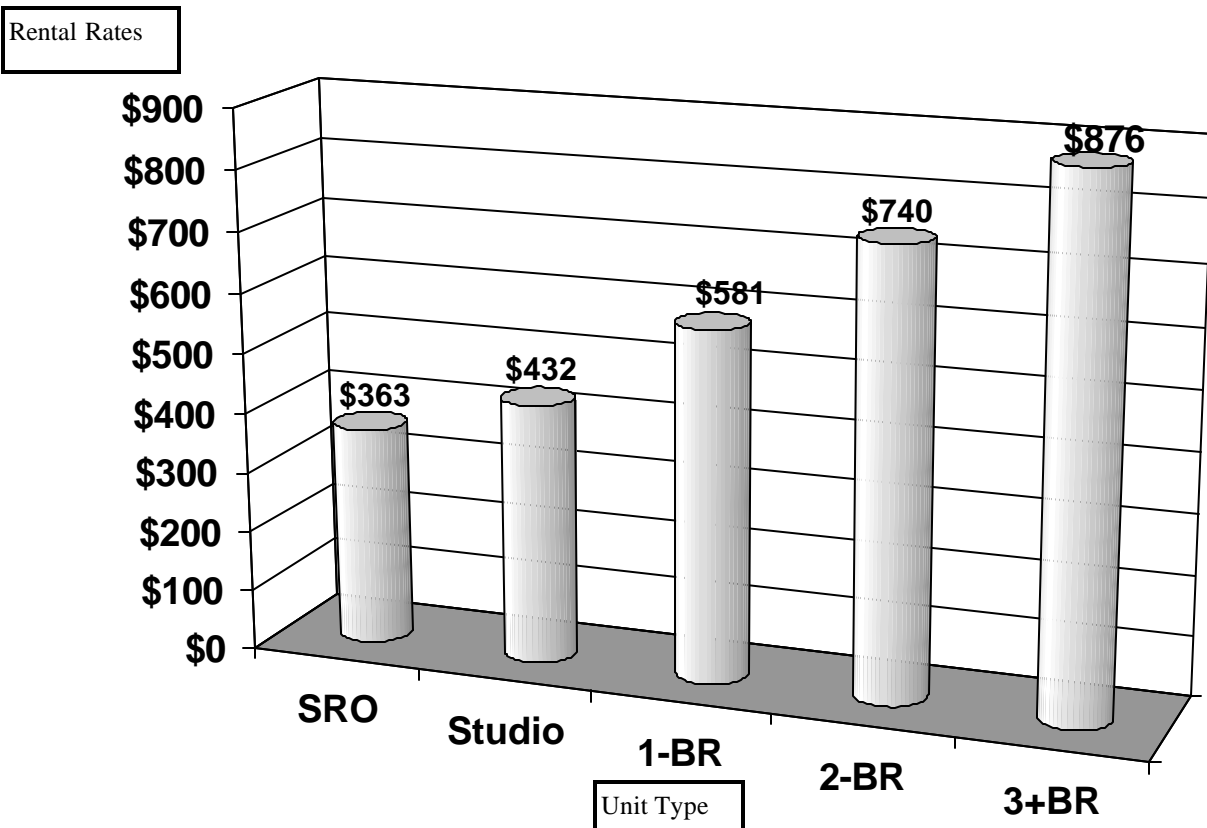
Distribution of Rents by Apartment Size

Table 4
Average Rental Rates for All Apartment Types
 June 2000

Unit Type and Rental Rate

Date	SRO	Studio	One Bedroom	Two Bedroom	Three or More Bedrooms
June 2000	\$363	\$432	\$581	\$740	\$876

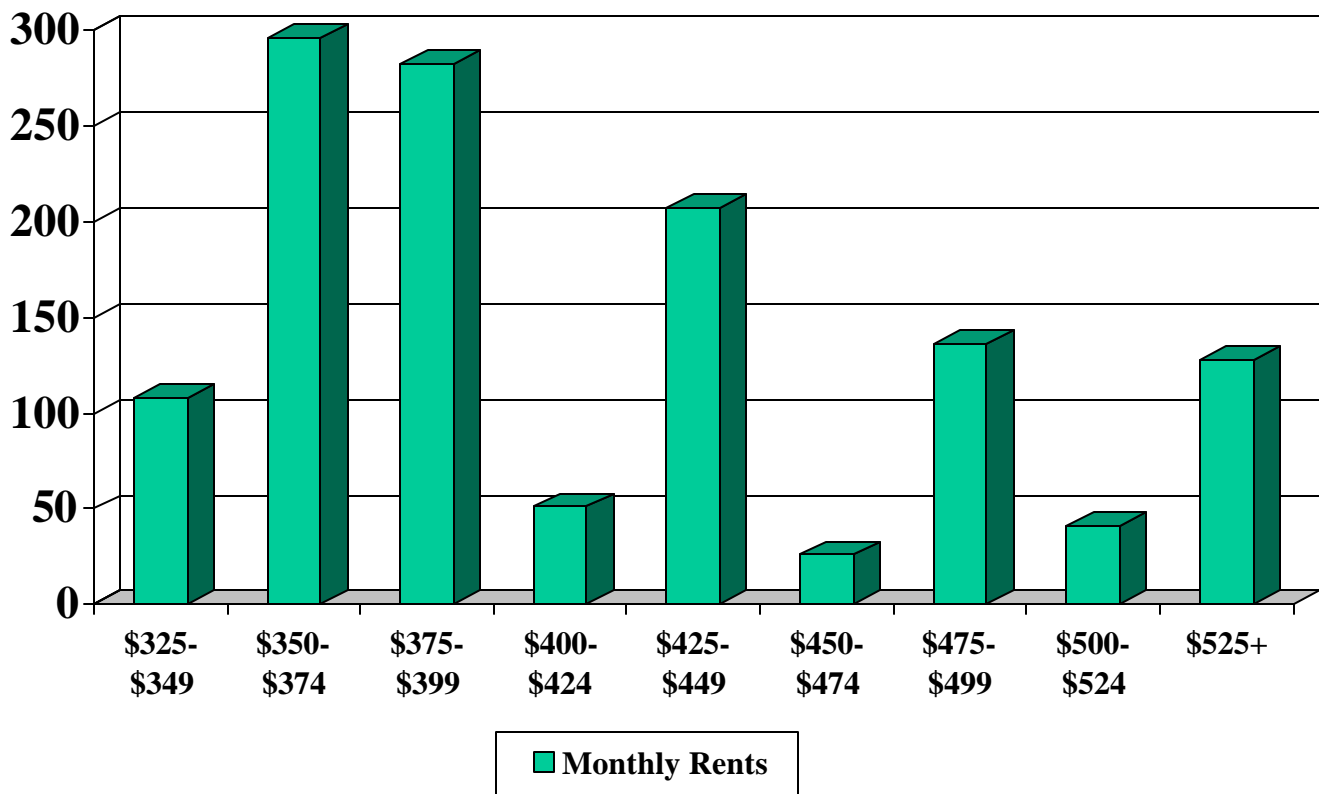
GRAPH 5
Average Rental Rates for All Apartment Types
 June 2000



Distribution of Rents by Apartment Size (continued)

GRAPH 6
Distribution of Rental Rates for SRO Units and Studio Apartments
June 2000

of Units

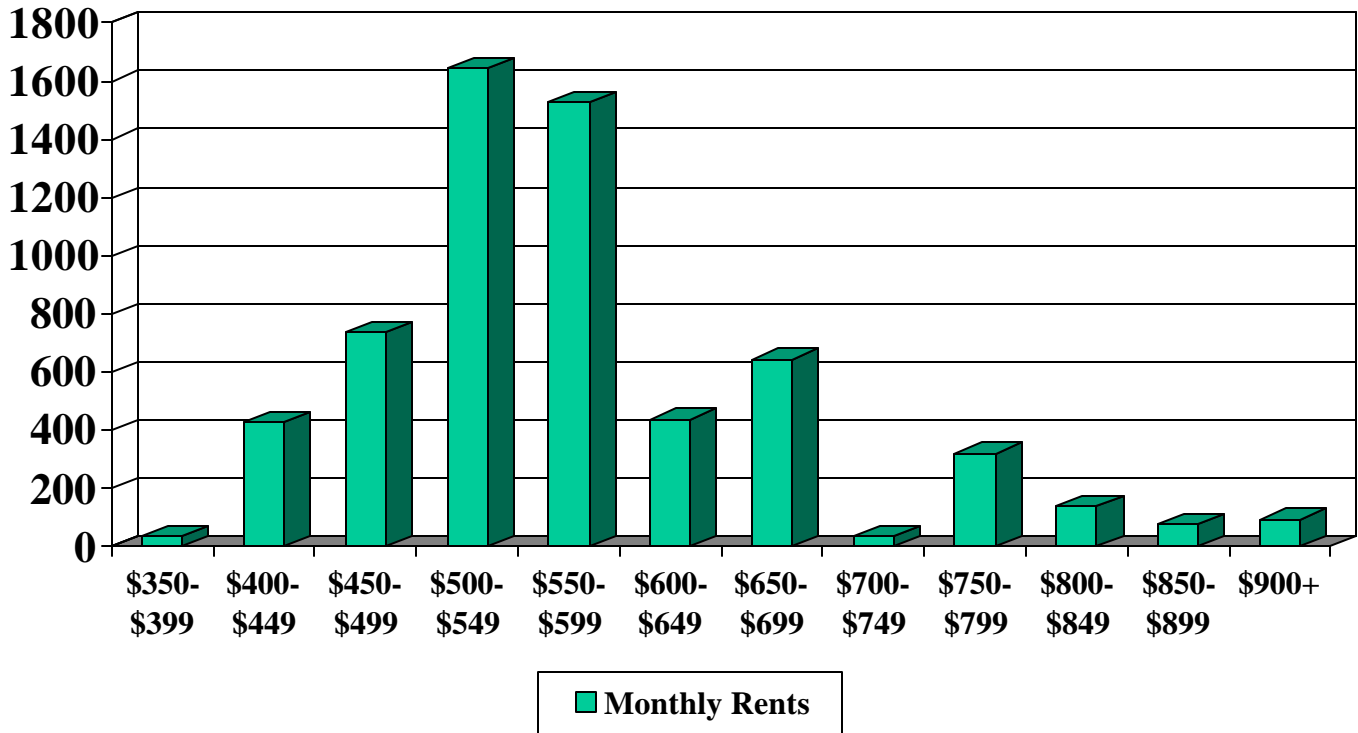


Mean = \$419

Distribution of Rents by Apartment Size (continued)

GRAPH 7
Distribution of Rental Rates for One Bedroom Apartments
June 2000

of Units

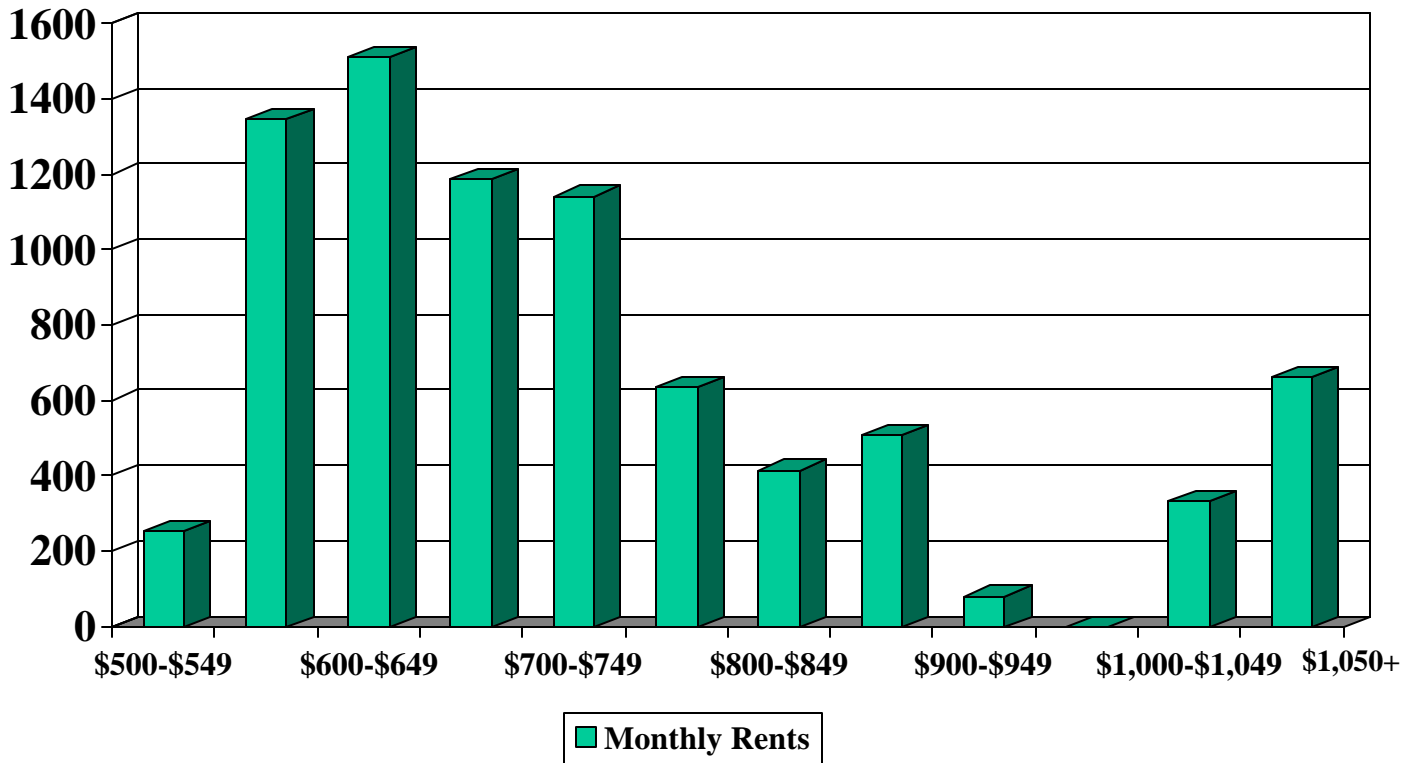


Mean = \$581

Distribution of Rents by Apartment Size (continued)

GRAPH 8
Distribution of Rental Rates for Two Bedroom Apartments

of Units

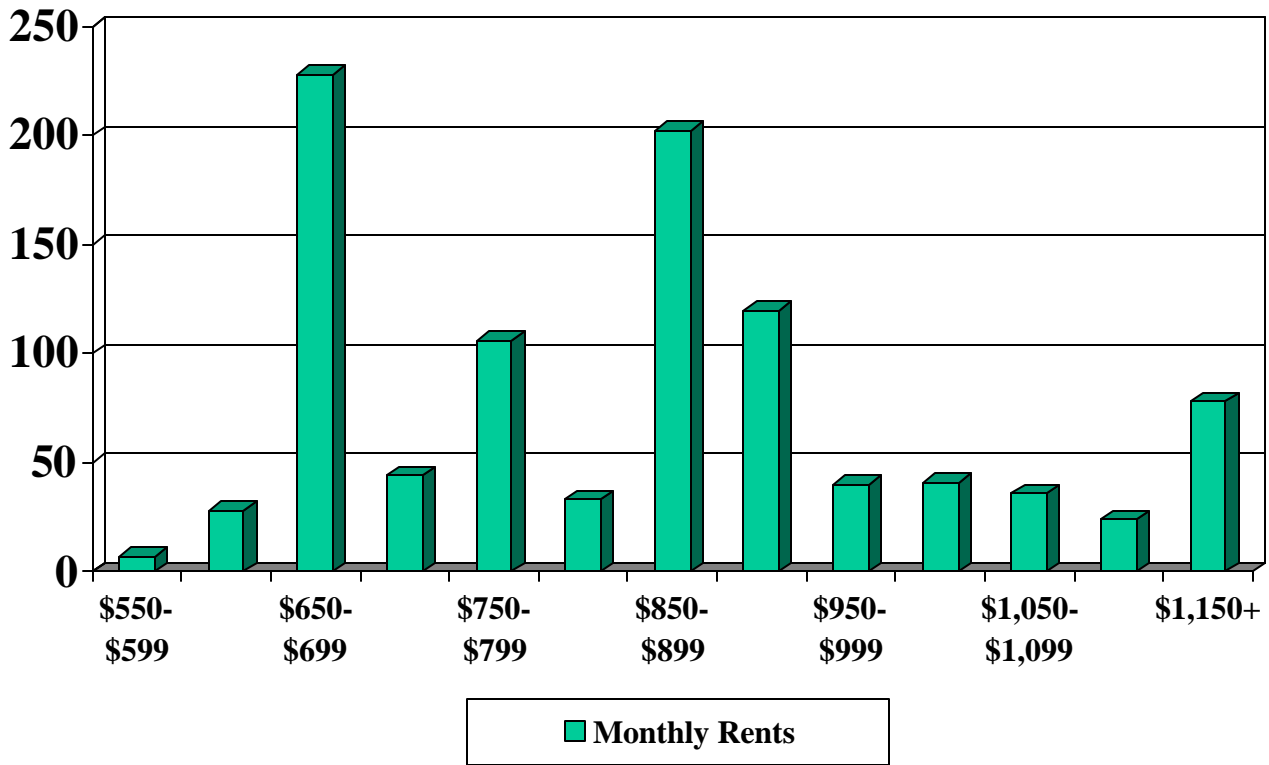


Mean = \$740

Distribution of Rents by Apartment Size (continued)

GRAPH 9
Distribution of Rental Rates for Three or More Bedroom Apartments
June 2000

of Units



Mean = \$876

Distribution of Apartments by Type of Unit Targeting 55+ Age Group

The split of unit types illustrates that one bedroom units are clearly the most popular unit type for complexes targeting the 55+ age group. Two- and three-bedroom units follow respectively. No studio units were reported in the complexes surveyed.

TABLE 5
Number of Apartments by Type of Unit for 55+ Complexes
 June 2000

	Total 55+ Units	Vacant (a)	Studios	One Bedroom	Two Bedroom	Three Bedroom
Active Seniors Apartments	256	51	0	155	96	5

Notes:
 (a) Unusually high number of vacant units due to new complex still in lease-up period.

GRAPH 10
Distribution of Apartment Units by Size for 55+ Complexes
 June 2000

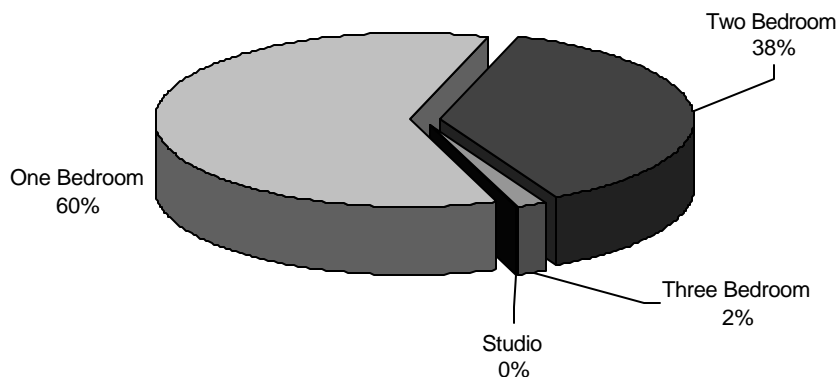


TABLE 6
Rental Rates by Unit Size for 55+ Complexes
 June 2000

Studio			One Bedroom			Two Bedroom			Three Bedroom		
Low	Avg.	High	Low	Avg.	High	Low	Avg.	High	Low	Avg.	High
n/a	n/a	n/a	\$525	\$535	\$620	\$625	\$660	\$720	\$820	\$820	\$820

Rental Rates in High-Density Multi-family Zip Code Areas

In the Reno-Sparks Area over 70 percent (72.1%) of all rental units are located in five zip codes. The following table indicates the lowest, average¹, and highest reported rental rates for each of the five high density multi-family housing areas.

TABLE 7
Rental Rates by Bedroom Size Within High Density Zip Codes
 June 2000

Area	Rental Rates for SRO's			Rental Rates for Studios			Rental Rates for One Bedrooms		
	Low	Avg.	High	Low	Avg.	High	Low	Avg.	High
89502	n/a	n/a	n/a	\$375	\$461	\$595	\$385	\$535	\$660
89509	n/a	n/a	n/a	\$375	\$485	\$625	\$425	\$579	\$815
89431	n/a	n/a	n/a	\$395	\$469	\$545	\$475	\$579	\$815
89511	n/a	n/a	n/a	n/a	n/a	n/a	\$590	\$722	\$1,040
89503	\$380	\$381	\$395	\$370	\$422	\$525	\$375	\$504	\$700

Area	Rental Rates for Two Bedrooms			Rental Rates for Three Bedrooms		
	Low	Avg.	High	Low	Avg.	High
89502	\$501	\$640	\$825	\$621	\$867	\$940
89509	\$475	\$666	\$940	\$650	\$791	\$1,110
89431	\$525	\$654	\$915	\$850	\$950	\$1,000
89511	\$675	\$997	\$1,350	\$840	\$1,275	\$1,660
89503	\$475	\$702	\$890	\$565	\$932	\$1,125

Notes:

¹ Average calculated based on weighted average of mid point of rental ranges for complexes for which unit count and rental rates were disclosed.

None of the above zip codes contained four bedroom units.

n/a — Not applicable as there was no data on the specific unit types with the zip code.

Distribution of Rental Units by Zip Code

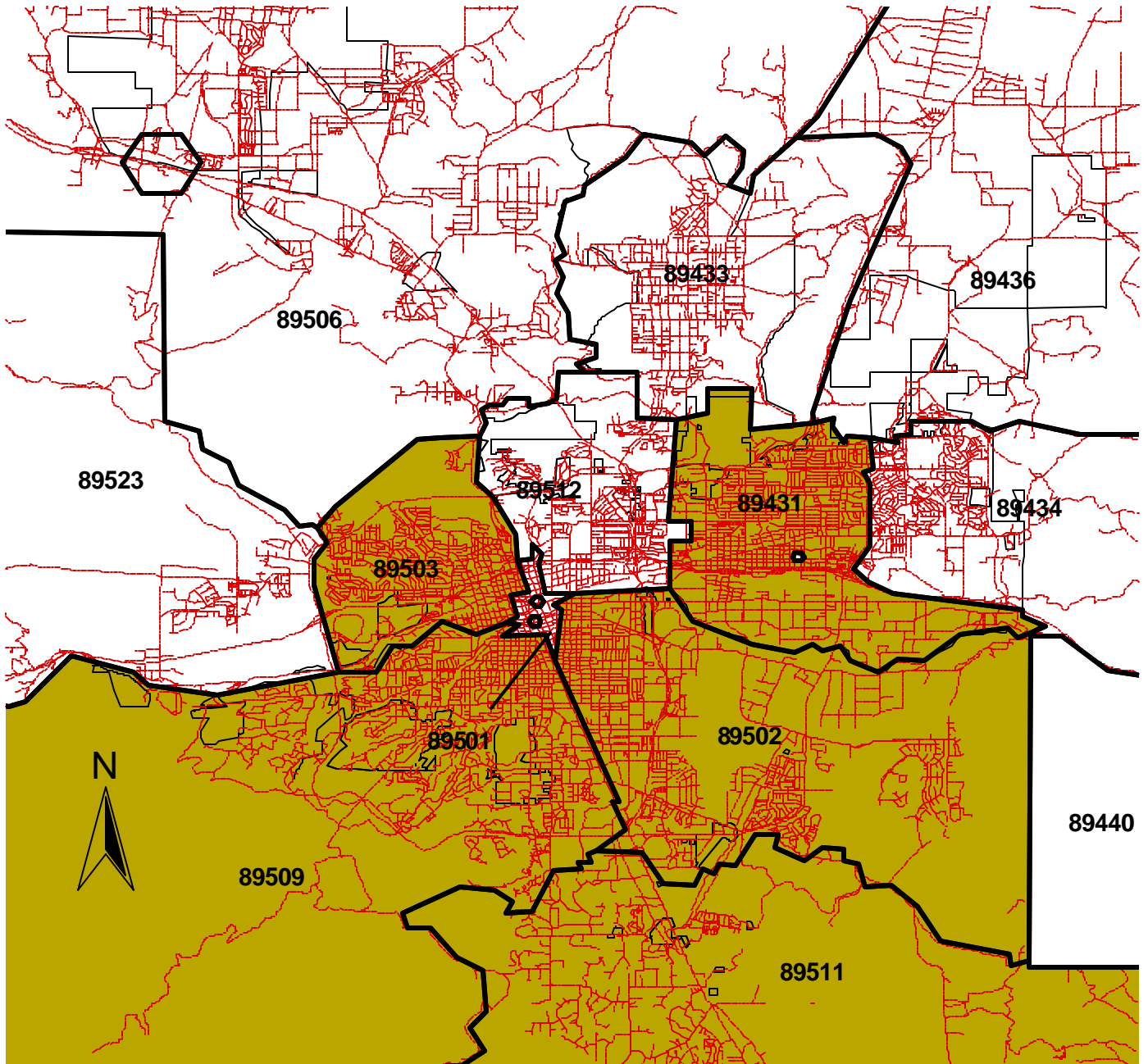
TABLE 8
Total Number of Apartment Units by Zip Code
 June 2000


Within the Reno-Sparks area, over 70 percent of the apartment complexes are within five zip codes.

Zip Code	Number of Units	Cumulative Number of Units	Percent of Units	Cumulative Percent
89502	5,524	5,524	22.1%	22.1%
89509	3,429	8,953	13.7%	35.8%
89431	3,172	12,125	12.7%	48.5%
89511	2,984	15,109	11.9%	60.4%
89503	2,925	18,034	11.7%	72.1%
89434	1,942	19,976	7.8%	79.9%
89523	1,817	21,793	7.3%	87.1%
89512	1,325	23,118	5.3%	92.4%
89506	846	23,964	3.4%	95.8%
89501	645	24,609	2.6%	98.4%
89436	152	24,761	0.6%	99.0%
89433	147	24,908	0.6%	99.6%
89505	43	24,951	0.2%	99.8%
89504	32	24,983	0.1%	99.9%
89513	24	25,007	0.1%	100.0%

Zip Code Map of the Greater Reno-Sparks Area

MAP 1 High Density Zip Code-Areas for Multifamily Housing

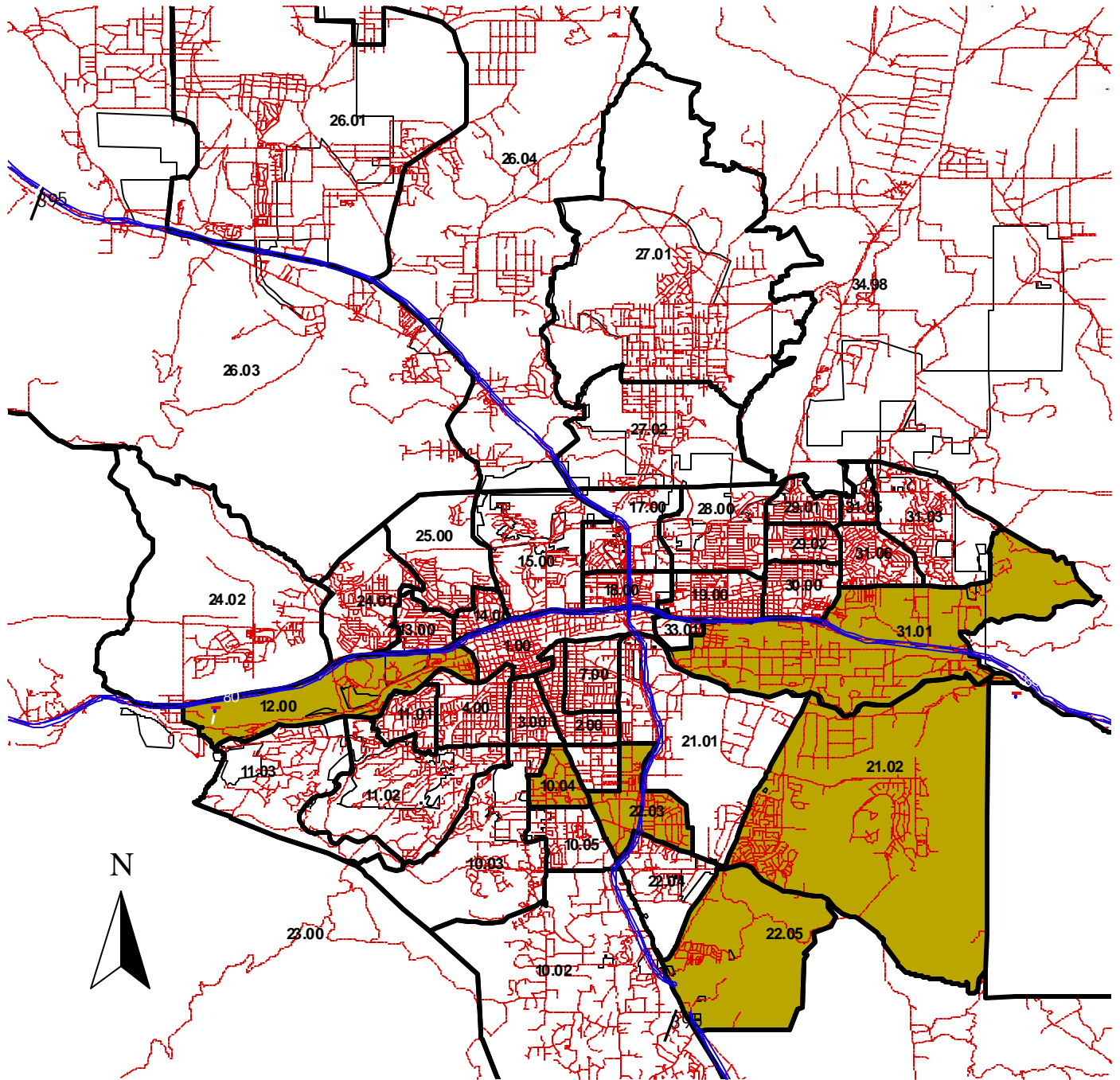


 high density multi-family zip codes

Due to continuous development activity this map is for reference only.

Census Tract Map of the Greater Reno-Sparks Area

MAP 2 High Density Census Tract Areas for Multifamily Housing



Distribution of Rental Projects by Census Tract

Nearly one-third of the Reno-Sparks Area apartments are located within four census tracts and nearly two-thirds are located within 11 census tracts.

TABLE 9
Total Number of Apartment Units by Census Tract
 June 2000

Census Tract	Number of Units	Number of Projects	Percent of Total	Cumulative Percent
10.04	2,210	16	8.84%	8.84%
12.00	2,184	13	8.73%	17.57%
22.03	2,000	20	8.00%	25.57%
22.05	1,760	6	7.04%	32.61%
21.02	1,564	3	6.25%	38.89%
31.01	1,494	5	5.97%	44.84%
15.00	1,184	10	4.76%	49.57%
19.00	1,167	12	4.67%	54.24%
24.02	1,167	5	4.67%	58.90%
9.00	959	13	3.83%	62.74%
17.00	857	5	3.43%	66.17%
26.01	784	7	3.14%	69.30%
1.00	770	8	3.08%	72.38%
22.04	756	2	3.02%	75.40%
28.00	730	4	2.92%	78.32%
10.05	515	4	2.06%	80.38%
29.02	512	3	2.05%	82.43%
10.03	464	3	1.86%	84.28%
21.01	488	4	1.95%	86.24%
24.01	467	3	1.87%	88.10%
2.00	397	9	1.59%	89.69%
4.00	324	4	1.30%	90.99%
25.00	330	3	1.32%	92.31%
10.02	324	1	1.30%	93.60%
18.00	259	3	1.04%	94.64%
13.00	196	5	0.78%	95.42%
14.00	188	5	0.75%	96.17%
7.00	153	3	0.61%	96.78%
31.06	152	1	0.61%	97.39%
34.98	152	1	0.61%	98.00%

2nd Qtr. 00 data show 1/3 of all rental units are located within four census tracts and 2/3 within 11 tracts. (See map 2)

census tract data continued on next page....

Distribution of Rental Projects by Census Tract (continued)

Census Tract	Number of Units	Number of Projects	Percent of Total	Cumulative Percent
27.02	147	1	0.59%	98.59%
30.00	128	1	0.51%	99.10%
3.00	119	2	0.48%	99.58%
26.03	67	2	0.25%	99.82%
22.00	44	1	0.18%	100.00%

Growth Census Tracts

Over the past 18 months, six census tracts within the Reno-Sparks Area had new multifamily construction rates of six percent or greater. Census tract 22.05 showed the highest number of new units, with 492, and census tracts 21.02 and 24.01 had 440 and 400 new units, respectively. (See Map 3)

TABLE 10
New Multifamily Housing Construction During
1999 and First 6 months of 2000

2000			1999		
Census Tract	New Units as of 6/30/00	Percent of New Construction	Census Tract	New Units Recorded for Calendar Year 1999	Percent of New Construction
22.05	492	100.0%	21.02	440	40.8%
			24.01	400	37.1%
			34.98	152	14.1%
			26.01	72	6.7%
			14.00	15	1.4%
Total	492	100.0%	Total	1,079	100.0%

NHD's Multi-Family Programs

Multi-Family Bond Program

Bonds are sold to finance projects that will benefit low- and moderate-income persons and families. Loans are made to projects which provide: (1) at least 20 percent of the total units to persons earning 50 percent or below median income, or (2) at least 40 percent of the total units to persons earning 60 percent or below the area median income.

Low Income Housing Tax Credit Program (LIHTC)

The LIHTC Program provides federal tax credits to sponsors of low-income rental housing projects. Sponsors can use the tax credits directly, or sell them to one or more purchasers and use the proceeds of the sale as equity for their project. Eligible applicants include for-profit and nonprofit organizations.

Investors receive an income tax credit each year for 10 years equal to approximately 4 percent of total eligible project costs for acquisition-rehabilitation projects and 9 percent for substantial rehabilitation and new construction.

To qualify for credits, at least 20 percent of the apartments in a project must be rented by families who earn no more than 50 percent of the area median income or 40 percent must be rented by families who earn no more than 60 percent.

Account for Low-Income Housing Trust Fund

Through this fund, NHD provides loans to expand the supply of housing for low- and very-low-income households. The loans are utilized for new construction, acquisition or rehabilitation of existing structures.

HOME Investment Partnerships Program (HOME)

The HOME Program provides federal housing dollars to expand the supply of affordable housing for low- and very-low-income families, to build state and local nonprofit capacity to carry out affordable housing programs, and to provide coordinated assistance to participants in the development of affordable low-income housing.

Both the Account for Low-Income Housing Trust Fund and HOME Programs' funds can work jointly in support of Tax Credit and Bond Program Multi-Family projects.

Examples of NHD's Multi-Family Projects



Courtyard Apartments, a 240-unit complex, located in downtown Reno offers studio and one-bedroom housing units for Reno's low-income workers and seniors.



Riverside, a 35-unit apartment complex located in downtown Reno provides housing for low-income families who are primarily involved in the arts.



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