



MARKET AT A GLANCE



OCCUPANCY RATE **96.1%**
Down **90 bps** since 2Q19



EFFECTIVE RENT **\$1,240**
Up **0.3%** since 2Q19

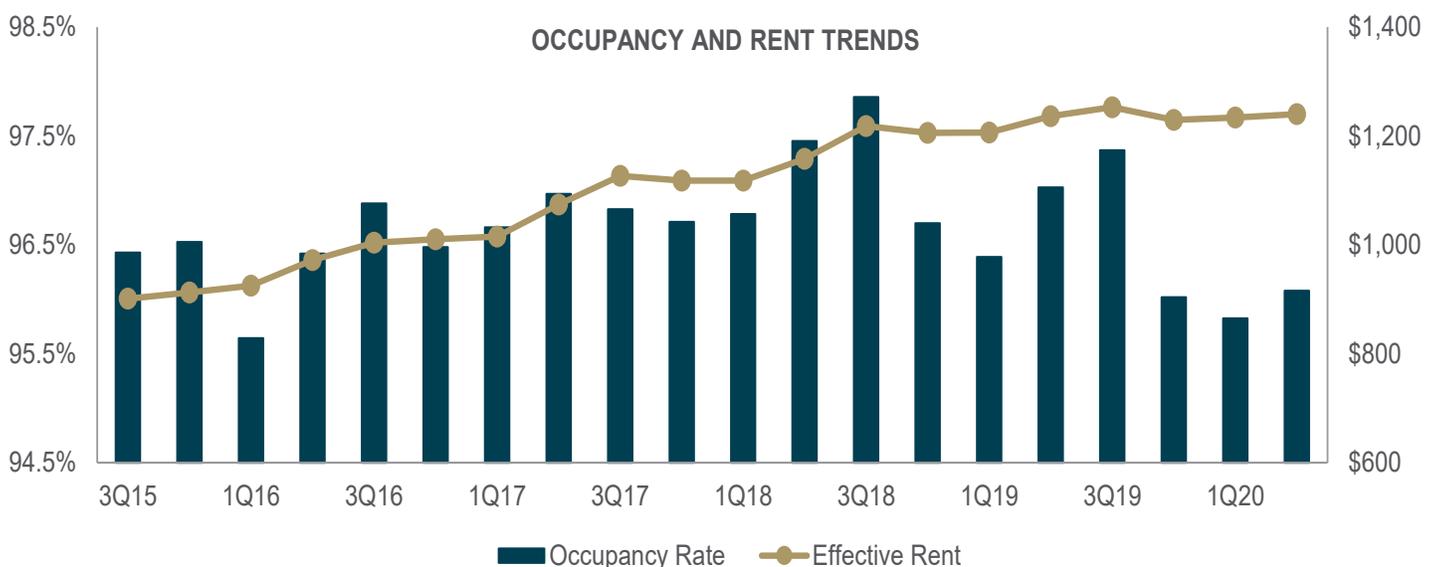


TOTAL INVENTORY **44,310**

OCCUPANCY AND RENT TRENDS

HOUSING SHORTAGE & ECONOMIC DIVERSITY SUPPORT APARTMENT MARKET

Local employers began rehiring furloughed workers in May and June 2020 as payrolls grew 7.8% during that period. Much of this turnaround was possible because of Reno's diversifying economy, which by extension, has tempered disruption to the local apartment market during the pandemic. While quarter-over-quarter apartment occupancy fell in many parts of the U.S., occupancy in the Reno metro area rose 30 basis points to 96.1% in the second quarter of 2020. Average monthly effective rent simultaneously increased 0.5% to \$1,240 in June. Pivotal to Reno's economic transformation was the creation—and ongoing development—of the Tahoe Reno Industrial Center, home of the Tesla Gigafactory and Apple Inc. and Switch facilities. These and other high-tech companies are drawing workers from all over the U.S. Through 2025, Moody's projects net in-migration of nearly 25,000 residents in the metro area, likely intensifying the current housing shortage. Already, the existing housing shortfall has helped spawn high home prices—up to a median \$409,200 in June 2020. The metro's typical monthly mortgage commands a 36% premium over the average apartment rent, making apartment living a desirable alternative to homeownership.



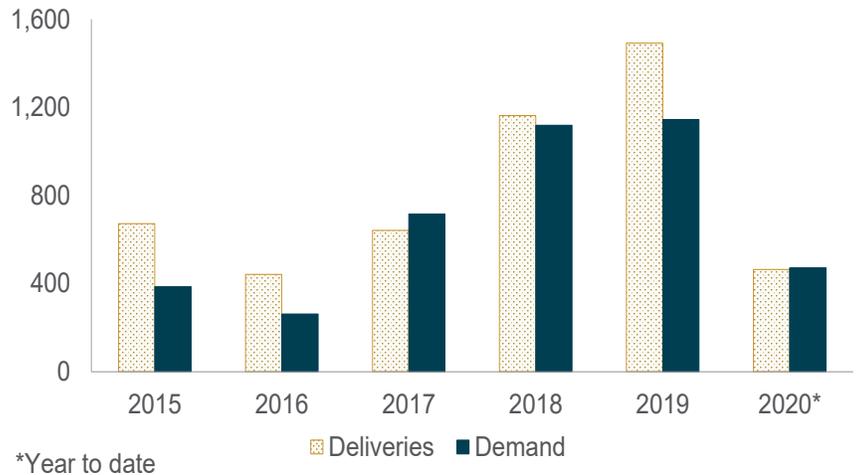
DELIVERIES AND DEMAND



DELIVERIES 464
Units YTD



NET ABSORPTION 472
Units YTD



ECONOMIC TRENDS

2019 3.2% **UNEMPLOYMENT*** 2020 16.2%
1,300 BPS CHANGE

2019 247.5k **EMPLOYMENT**** 2020 228.9k
-7.5% CHANGE

2019 10.0k **EXISTING SFH SALES**** 2020 9.3k
-7.0% CHANGE

2019 476.3k **POPULATION**** 2020 484.0k
1.6% CHANGE

2019 2.07% **10-YEAR TREASURY**** 2020 0.73%
-130 BPS CHANGE

*May; **June



RENO

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
Central Reno	95.4%	20	-120	\$1,166	1.3%	1.5%	28	-52	12	30
East Reno	95.5%	-20	-140	\$1,086	-0.6%	0.7%	-12	-102	0	0
North Reno	97.0%	80	-70	\$1,151	1.6%	2.9%	176	66	96	142
South Reno	96.4%	-50	-100	\$1,411	-0.7%	-1.9%	58	309	117	430
Sparks	95.6%	90	-60	\$1,320	0.9%	-1.3%	123	272	47	339
TOTALS	96.1%	30	-90	\$1,240	0.5%	0.3%	373	493	272	941



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