



MARKET AT A GLANCE



OCCUPANCY RATE **96.6%**
Down **80 bps** since 3Q19



EFFECTIVE RENT **\$1,280**
Up **2.2%** since 3Q19

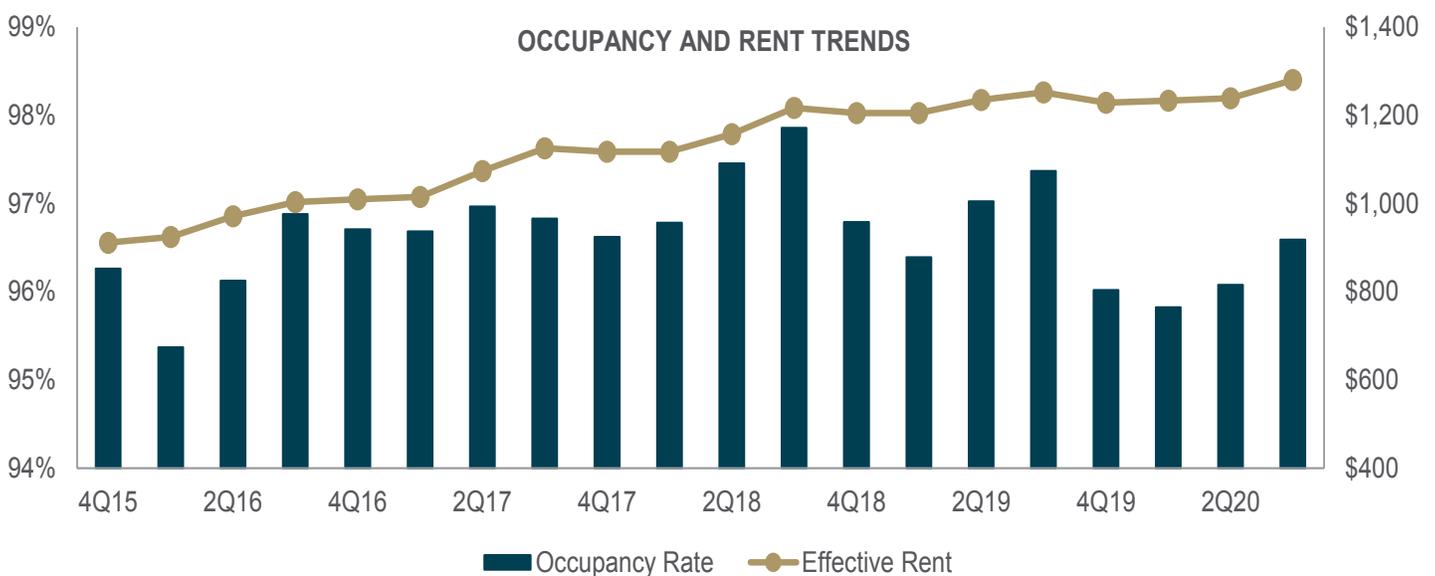


TOTAL INVENTORY **44,873**

OCCUPANCY AND RENT TRENDS

CONTINUED IN-MIGRATION DRIVES RENTAL DEMAND

Multifamily builders remained active in the Reno market as developers worked to meet housing demand due in part to strong in-migration from California. Nearly 550 units came online during the third quarter, part of approximately 5,000 deliveries during the last five years. By the end of the third quarter, construction was underway on 27 communities that are scheduled to bring more than 2,900 units online by year-end 2021. Even with the influx of new inventory, leasing activity exceeded deliveries in the last three months. As a result, average apartment occupancy elevated 50 basis points from mid-2020 to 96.6% by the end of the third quarter. Recent apartment demand was underpinned by the 4,100 employees rehired or added to the market in July and August as gains were broad based across most employment sectors. As payrolls expanded, apartment operators had more leeway to increase leases. At an average of \$1,280, monthly effective rent advanced 3.3% quarter over quarter. The resilience of the economy benefited apartment owners as surveyed CMBS and Fannie Mae loans in forbearance lowered 10 basis points month over month to 1.8% in September. No loans were in delinquent status in September either.



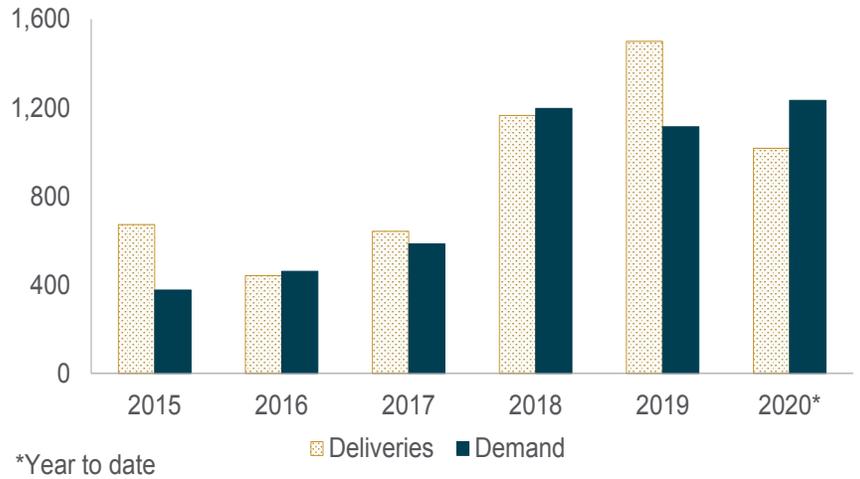
DELIVERIES AND DEMAND



DELIVERIES 1,017
Units YTD



NET ABSORPTION 1,234
Units YTD



ECONOMIC TRENDS

2019 3.2% **UNEMPLOYMENT*** 2020 7.1%
390 BPS CHANGE

2019 247.0k **EMPLOYMENT*** 2020 233.5k
-5.5% CHANGE

2019 9.9k **EXISTING SFH SALES**** 2020 10.9k
10.1% CHANGE

2019 478.4k **POPULATION**** 2020 485.3k
1.4% CHANGE

2019 1.70% **10-YEAR TREASURY**** 2020 0.68%
-100 BPS CHANGE

*August; **September



RENO

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	3Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	3Q20	Q-o-Q Change	Y-o-Y Change	3Q20	Annual	3Q20	Annual
Central Reno	96.3%	80	-90	\$1,194	3.1%	2.5%	60	-34	0	30
East Reno	95.6%	10	-180	\$1,109	2.4%	1.4%	5	-125	0	0
North Reno	97.5%	50	-90	\$1,186	2.4%	2.8%	333	327	288	430
South Reno	96.8%	40	-60	\$1,460	3.6%	1.6%	158	382	117	455
Sparks	96.3%	70	-10	\$1,377	4.4%	2.2%	200	343	142	362
TOTALS	96.6%	50	-80	\$1,280	3.3%	2.2%	756	894	547	1,277

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