

**BOARD OF REGENTS
BRIEFING PAPER**

1. AGENDA ITEM TITLE: University of Nevada, Reno - Request to Approve Preliminary Terms and Conditions of a Lease of 85 Studio Apartments at 219 N. Center St, Reno, Nevada, for Affordable Graduate Student Housing

MEETING DATE: September 8 & 9, 2022

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Graduate student success is a key component of keeping and advancing the University of Nevada, Reno's R-1 status and providing an advanced work force for Nevada. A key metric for Carnegie R1 ranking requires a correlation of doctoral student growth to Graduate Assistant positions. However, there are a number of known obstacles to graduate students' success, and unsurprisingly, financial obstacles are dominant as they distract students from their academic work, undermine mental health, and orient students toward earning a living rather than earning a degree. Financial obstacles exist in every field in light of an increased cost of living or emergency expenses related to the pandemic. These obstacles often require students to take on additional employment (including overload teaching at UNR), in order to survive which can delay graduation.

Finding affordable housing has become one of the most significant issues related to recruiting and retaining graduate students. The University has collaborated with EKAY Economic Consultants, Inc. to complete a housing needs assessment. (Exhibit 1) The University is pursuing a multi-pronged approach to continue addressing this priority area. One piece of the solution includes assistance with affordable housing.

The property known as Reno City Center is one of Reno's newest downtown mixed-use projects located within the heart of downtown Reno. (Exhibit 2) The property is located in close proximity to the UNR campus at 219 N Center St, Reno, NV. (Exhibit 3)

The University is near completion of negotiating the terms of a master lease with Reno City Center for 85 high-quality studio apartments near campus with a significant volume discount, well under the current market value. Through the anticipated lease agreement, UNR would be able to utilize this master lease of 85 studio housing units to provide necessary housing options exclusively for UNR Graduate Students, and as units are available, entry level faculty and staff.

The following terms have been negotiated with the Landlord, subject to future approval by the Board of Regents, and a draft lease is currently being finalized at the time of this submission. The University of Nevada, Reno plans to submit the finalized lease proposal at a future Board of Regents meeting for approval:

Anticipated Terms

- Term of the Lease: 3 years
- Option to Renew: 3 years
- Monthly Rent: \$84,575
- Additional Costs: Separately metered electric, cable TV, internet, and water.
- Annual Increases: 5% including option period
- Occupancy: Approximately August 1, 2023

It is possible that this lease may eventually be a benefit for entry level faculty and staff on a space available basis, however, graduate students remain the University's priority with this initiative.

Matthew Hawn, President of the Graduate Student Association and Chair of the Nevada Student Alliance has provided a letter in support of the anticipated lease. (Exhibit 4)

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

University of Nevada, Reno President Brian Sandoval requests approval of preliminary terms and conditions to lease 85 studio apartments at 219 N. Center St., Reno, Nevada, for affordable graduate student housing. President Sandoval will request approval of the final Lease Agreement at a future Board of Regents meeting.

4. IMPETUS (WHY NOW?):

For the 2022-2023 school year, there were 256 Graduate Student applications for 44 open spaces at Ponderosa Village which clearly shows the significant level of unmet need. The 85 studio housing units at the Reno City Center are being offered to the University at a substantial discount compared to market values for comparable studios. Area vacancy rates are very low and most studios and 1 & 2 bedroom apartments around the University are currently sold out at considerably higher rates. The proposed lease would help to alleviate housing cost barriers and occupancy would be available next academic year.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- Access (Increase participation in post-secondary education)**
- Success (Increase student success)**
- Close the Achievement Gap (Close the achievement gap among underserved student populations)**
- Workforce (Collaboratively address the challenges of the workforce and industry education needs of Nevada)**
- Research (Co-develop solutions to the critical issues facing 21st century Nevada and raise the overall research profile)**
- Not Applicable to NSHE Strategic Plan Goals**

INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

Graduate student success is a key component of keeping and advancing the University's R-1 status and providing an advanced work force for Nevada. Finding affordable housing has become one of the most significant issues related to recruiting and retaining graduate students. A master lease for 85 studio apartments at Reno City Center would allow the University to manage this block of units for graduate student housing in an effort to provide access, increase success, and help to close the achievement gap for this key metric group.

6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Rental rates for the Reno City Center studios are well below market rates for comparable housing as the University was able to negotiate a volume discount.
- Reno City Center is in close proximity to campus, approximately $\frac{3}{4}$ of a mile away, on the high-speed transit line.
- Reno City Center is a premier new mixed-use project in Downtown Reno offering several services and amenities to Graduate Students.
- These units will provide additional options for Graduate Students, and on a space available basis, would be made available to entry level faculty and staff.

7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- The University of Nevada, Reno will have a financial obligation to meet by master leasing these studios, but with strong regional occupancy, coupled with substantially reduced market rent and the recruitment benefit (see Exhibit 1), the University believes there is a small cash flow risk to this initiative.

8. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

- None identified at this price point, proximity to campus, or size.

9. RECOMMENDATION FROM THE CHANCELLOR’S OFFICE:

10. COMPLIANCE WITH BOARD POLICY:

Consistent With Current Board Policy: Title # 4 Chapter # 10 Section # 1.9

Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____

Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____

Other: _____

Fiscal Impact: Yes X No _____

Explain: Annual rent will be \$1,014,900 with 5% annual increases. This rent will be paid through rental income.

Exhibit 1

June
2022



UNIVERSITY OF NEVADA, RENO HOUSING NEEDS ASSESSMENT FOR GRADUATE STUDENTS, STAFF, AND FACULTY

PREPARED BY:



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EXECUTIVE SUMMARY

HOUSING AND ECONOMIC OVERVIEW

Economically, the Reno-Sparks region has recovered strongly from the Great Recession and the COVID-19 pandemic, with strong levels of employment and population growth, fueled by high-paying wages in employment sectors driven by increasing demand for electric vehicles and supply-chain industries.

Impacting the region's growth is the lack of housing supply while demand for housing continues to increase, leading to significant growth in home prices. Housing costs were previously attainable by workforce households, supported by rapidly growing wages, but recent increases in mortgage rates are now dampening affordability, shifting purchases of homes to rental product that will put significant pressure on rent rates.

RENTAL HOUSING SUPPLY

Only one University-provided housing option is available for graduate students, staff, and faculty and their dependents. The project is currently at full capacity, with a significant wait list. University officials expect the wait list to be expand in the future as enrollment and staffing recovers and rocketing housing prices put pressure on students, staff, and faculty to find affordable housing.

Graduate students also have the option of multiple existing and forthcoming privately-owned student housing projects in the area. Lease rates for off-campus student housing start at \$649 per month for a six-bed/five-bath floor plan (available) and reach \$1,725 per month for a studio (sold out), as of June 2022.

Numerous apartment rentals are available in the region, with several new apartment projects expected to be added in the near future. Vacancy for these units is extremely low and rents are increasing at high rates. In addition, much of the existing product near the University is dated. Average lease rates for market-rate apartments proximate to the University is \$1,654 per month for apartments west of the University and \$1,426 per month for apartments east of the University, as of first quarter 2022.



Single-family home rentals are also an option for housing, but this product is the most expensive and least available. As of June 17, 2022, there were only 43 single-family homes within two miles of the University listed for rent on Zillow.com, ranging from an average of \$1,228 per month for a one-bedroom (seven listed) to \$3,600 per month for a six bedroom (one listed).

GRADUATE STUDENT, STAFF, AND FACULTY HOUSING DEMAND

Pandemic-related issues, including vaccine requirements, changes to remote-learning policies, impacts on tuition revenues, and early retirements, have disrupted graduate student enrollment and staff/faculty employment growth trends, especially in the 2021-2022 school year.

After a period of relative balance between applications and available spaces in recent years, as of June 21, 2022 there were 256 applications for 44 spaces at Ponderosa Village. The Executive Director of Residential Life, Housing, & Food Services surmises that demand exceeding supply will be the new normal due to increasingly high cost of housing in Reno-Sparks.

The overwhelming number of graduate students in the assistantship program (85% earning up to \$25,000 per year) can only afford rents up to \$560 per month in single-earner households. A little more than 70% of staff earn a maximum salary of \$50,000 per year, which can afford up to \$1,175 per month in rent. This affordability limit is also reached by 19% of faculty salaries. As a result, 34% of staff and faculty cannot afford average rents in neighborhoods proximate to the University or across Reno-Sparks (\$1,633 per month in first quarter 2022).

As the University continues to navigate pandemic-related policies while also being an important stakeholder in economic and demographic growth in the region, both enrollment and staff and faculty employment is expected to increase. However, as the region recovers from the pandemic impacts, University objectives are now affected by inflation (short-term) and cost of housing (long-term). Inflation is largely outside the University's control, but to retain and recruit staff and faculty, housing cost barriers must be addressed.

INTRODUCTION

Center for Regional Studies at the University of Nevada, Reno, in partnership with Ekay Economic Consultants, Inc. (EEC), conducted a feasibility study of housing supply and demand for graduate students, staff, and faculty in the Reno-Sparks region. The analysis is divided into three sections:

Section I-*Housing Market Overview*- includes an overview of housing market in Reno-Sparks in the past five years will be provided. This includes amount of new single-family and multifamily inventory added during this period, home prices and rental rates, as well as vacancy information for available units. Rental rates and vacancy data are also discussed, by size of multifamily units and location throughout the Reno-Sparks area.

Section II- *Rental Housing Supply*- this section summarizes the existing supply of rental housing, including university-owned product, privately-owned student housing, market rate apartments, and single-family rentals. Vacancy rates, lease rates, amenities, and locations by product type are discussed.

Section III- *Graduate Student, Staff, and Faculty Housing Demand*- this section reviews historical counts of graduate students, staff and faculty, as well as projections of growth of these populations over the next five years, when available. Using this information, the analysis determines the demand for University-provided housing. Most importantly, housing affordability by income range is calculated and compared to existing inventory.

Section IV- *Conclusion*- this section compares rental-housing demand estimated in Section III to projected rental and vacancy rates of existing rental housing inventory (Section II) to determine if sufficient housing supply exists for graduate students, staff, and faculty, *and if this supply is affordable.*



I. HOUSING MARKET OVERVIEW

POPULATION TRENDS AND PROJECTIONS

The Reno-Sparks MSA (Washoe and Storey Counties) has experienced a high level of growth as new companies moved to the area and existing unemployment rates fell below natural employment levels. This has caused new residents to move to the region to fill new employment opportunities. Table 1 shows historical population growth for the Reno-Sparks MSA, as well as projections for future growth for these jurisdictions from the Nevada State Demographer.

The table shows Washoe County experienced high levels of growth between 2000 and 2006, followed by a decline in population of 1.7% in 2009 during the Great Recession. Population rates began to recover in 2011, although recent rates did not reach their fullest levels until 2021, with a lower than average level of growth in 2020 during the COVID-19 pandemic, as mobility across the US slowed. The State Demographer is projecting population will continue to grow at a strong rate through 2026, with average annual growth levels ranging from 1.3% to 1.4%.

Storey County experienced a higher rate of population decline during the recession, and growth rates did not and will not reach Washoe County levels through 2026. This is because Storey County, a relatively small county, is restricted in its housing options, with no significant new residential development occurring or expecting to occur in the near future to provide an opportunity for population growth.

Combining the two counties, the Reno-Sparks MSA is expected to gain 34,122 new persons during the five-year period between 2021 and 2026. These projections, however, do not reflect the full level of demand for persons moving to the area, as this demand is restricted due to limited housing supply in both counties.

Table 1. Historical and Projected Population-Washoe and Storey Counties and Reno-Sparks MSA¹

Year	Washoe County		Storey County		Reno-Sparks MSA	
	Population	% Change	Population	% Change	Population	% Change
2000	333,566		3,897		337,463	
2001	353,271	5.9%	3,714	-4.7%	356,985	5.8%
2002	359,423	1.7%	3,639	-2.0%	363,062	1.7%
2003	373,233	3.8%	3,736	2.7%	376,969	3.8%
2004	383,453	2.7%	3,797	1.6%	387,250	2.7%
2005	396,844	3.5%	4,012	5.7%	400,856	3.5%
2006	409,085	3.1%	4,110	2.4%	413,195	3.1%
2007	418,061	2.2%	4,293	4.5%	422,354	2.2%
2008	423,833	1.4%	4,384	2.1%	428,217	1.4%
2009	416,632	-1.7%	4,317	-1.5%	420,949	-1.7%
2010	417,379	0.2%	4,234	-1.9%	421,613	0.2%
2011	421,593	1.0%	4,123	-2.6%	425,716	1.0%
2012	427,704	1.4%	4,103	-0.5%	431,807	1.4%
2013	432,324	1.1%	4,017	-2.1%	436,341	1.1%
2014	436,797	1.0%	3,974	-1.1%	440,771	1.0%
2015	441,946	1.2%	3,984	0.3%	445,930	1.2%
2016	448,316	1.4%	4,043	1.5%	452,359	1.4%
2017	451,923	0.8%	4,084	1.0%	456,007	0.8%
2018	460,237	1.8%	4,227	3.5%	464,464	1.9%
2019	469,801	2.1%	4,258	0.7%	474,059	2.1%
2020	473,606	0.8%	4,304	1.1%	477,910	0.8%
2021	485,113	2.4%	4,359	1.3%	489,472	2.4%
2022*	492,077	1.4%	4,368	0.2%	496,445	1.4%
2023*	498,998	1.4%	4,381	0.3%	503,379	1.4%
2024*	505,823	1.4%	4,396	0.3%	510,219	1.4%
2025*	512,471	1.3%	4,417	0.5%	516,888	1.3%
2026*	519,148	1.3%	4,446	0.7%	523,594	1.3%

*Projected population.

POPULATION CHARACTERISTICS

Tables 2-4 summarize demographic and important economic characteristics for existing residents of the Reno-Sparks MSA. Table 2 shows median age, family and household size

¹ Historical population from "Population Estimates of Nevada's Counties, Cities and Towns 2001 to 2021 Estimates," Nevada State Demographer, Nevada Department of Taxation. Projected population from "5-Year Population Projections for Nevada and its Counties 2022 to 2026 Based on the 2021 Estimate" Nevada State Demographer, Nevada Department of Taxation.

information for the MSA. The table shows MSA population is aging slightly, with median age increasing over the five-year period from 37.8 years in 2014 to 38.6 years in 2019.

Table 2. Selected Demographic Characteristics-Reno-Sparks MSA and United States²

Demographics	Reno-Sparks MSA		United States	
	2014	2019	2014	2019
Age Distribution				
Under 19 years	109,898	113,492	82,347,468	81,872,275
20 to 29 years	64,960	67,075	44,365,496	44,701,979
30 to 39 years	57,841	65,377	41,492,910	44,073,435
40 to 49 years	55,172	56,912	41,492,910	40,584,812
50 to 59 years	61,846	60,473	44,046,320	41,948,941
60 to 69 years	53,837	59,749	34,151,857	38,411,066
70 years and over	40,934	52,212	30,960,095	36,647,015
<i>Median Age</i>	<i>37.8</i>	<i>38.6</i>	<i>37.7</i>	<i>38.5</i>
Household Composition				
# of Households	168,863	192,402	117,259,427	122,802,852
Ave. Household Size	2.60	2.44	2.65	2.61
# of Non-Family Households	65,945	72,131	40,107,355	43,208,582
% of Households w/ Children	29.7%	28.3%	31.7%	29.9%
% of Households w/ 60 Years+	37.9%	41.5%	37.3%	41.2%
Family Composition				
# of Families	102,918	120,271	77,152,072	79,594,270
Ave. Family Size	3.28	2.97	3.26	3.23
Married-Couple Family	76,960	90,194	56,114,671	58,370,842
Male Householder, no Spouse	8,754	9,418	5,765,116	6,167,908
Female Householder, no Spouse	17,204	20,659	15,272,285	15,055,520

The table shows the percent of households with children in the MSA declined from 29.7% to 28.3% between 2014 and 2019, while the number of households with older members (60 years and older) increased from 37.9% to 41.5%. This is consistent with the data for the US, with similar median age and percentage of households with children and older members.

Table 2 also shows household and family size data for the Reno-Sparks MSA and United States.³ The table reports the number of households in the MSA increased between 2014

² U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates. This is the latest data from the US Census for 1-year Estimates. Data for 2020 is expected to be released later this year.

³ According to the US Census Bureau, a household includes all the people who occupy a housing unit (house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters).

and 2019 as population in the region grew, but the size of households and families declined, showing fewer persons occupying a residential unit. *In fact, 28% of all households in the Reno-Sparks MSA are one-person households, putting additional pressure on housing availability.*

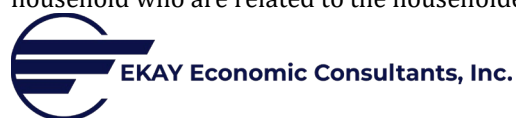
By 2019, Reno-Sparks MSA households had 2.44 persons per unit and MSA families had 2.97 persons per unit. This is lower for both measurements than the US data, which were estimated at 2.61 persons per unit for households and 3.23 persons per unit for families in 2019. The majority of family households in the MSA and the US are married-couple households (75% of all MSA families in 2019), followed by female-lead households (17% of MSA families in 2019), and male-lead households (8% of MSA families in 2019).

Table 3 shows housing characteristics for Reno-Sparks MSA. The table reports the Reno-Sparks area has a lower ratio of owner-occupied residential units compared to the US, though the ratio did increase from 57.5% in 2014 to 58.5% in 2019. More importantly, vacancy rates for owned and rental units declined strongly, from 1.9% for owned and 6.5% for rental units in 2014 to 0.9% and 3.2% respectively in 2019. This is significantly below US levels in 2019.

As vacancy rates declined, rental rates and home values increased, exceeding US levels by 2019, though rent amounts were lower than US levels in 2014. Much of this price growth has been the result of the demand for housing created by employment and population growth in the MSA and lack of a sufficient supply of housing.

Household occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated people who share living arrangements.

A family, on the other hand, consists of a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption.



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Table 3. Housing Occupancy Characteristics- Reno-Sparks MSA and United States ⁴

Occupancy	Reno-Sparks MSA		United States	
	2014	2019	2014	2019
% Owner Occupied Housing	57.5%	58.5%	63.1%	64.1%
% Renter Occupied Housing	42.5%	41.5%	36.9%	35.9%
Total Owner Occupied Units	97,166	112,507	73,991,995	78,724,862
Total Renter Occupied Units	71,697	79,895	43,267,432	44,077,990
Owned Unit Vacancy Rate	1.9%	0.9%	1.9%	1.5%
Rental Unit Vacancy Rate	6.6%	3.2%	6.3%	6.0%
Median Home Value	\$ 232,700	\$ 383,000	\$ 181,200	\$ 240,500
Median Gross Rent	\$ 879	\$ 1,195	\$ 934	\$ 1,097
# of Owner-Occupied Units by Value Range				
Less than \$150,000	23,679	8,495	29,475,910	21,958,248
\$150,000 to \$299,999	43,085	22,342	24,297,953	26,504,178
\$300,000 to \$499,999	21,776	51,658	11,936,757	16,870,733
\$500,000 to \$749,999	4,681	18,059	4,727,229	7,359,105
\$750,000 to \$999,999	2,525	5,673	1,783,156	2,934,918
\$1 million and over	1,420	6,280	1,770,990	3,097,680

Table 4 shows income characteristics for Reno-Sparks MSA and the United States. Income levels are provided for different measurement levels (mean and median) and measurement types (household, family, and per capita) to provide a broader base of comparison. The table shows MSA income levels for all measures (except median family income) were lower in 2014 than national levels. Incomes grew significantly during the five-year period to 2019, with MSA incomes exceeding national levels in all measures. While national income levels grew by 22 to 23%, MSA incomes grew by 32 to 42% during the same period.

Table 4. Income Characteristics- Reno-Sparks MSA and United States⁵

Income	Reno-Sparks MSA		United States	
	2014	2019	2014	2019
Median Household Income	\$ 52,728	\$ 72,132	\$ 53,657	\$ 65,712
<i>% Change</i>		37%		22%
Mean Household Income	\$ 70,250	\$ 98,210	\$ 75,591	\$ 92,324
<i>% Change</i>		40%		22%
Median Family Income	\$ 65,975	\$ 86,834	\$ 65,910	\$ 80,944
<i>% Change</i>		32%		23%
Mean Family Income	\$ 84,748	\$ 116,475	\$ 88,394	\$ 108,587
<i>% Change</i>		37%		23%
Per Capita Income	\$ 27,833	\$ 39,619	\$ 28,889	\$ 35,672
<i>% Change</i>		42%		23%

⁴ U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates.

⁵ U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates.

Table 5 reports total mobility and mobility by age and income characteristics for Reno-Sparks MSA and the US. These data show movements for all area residents within the past 12 months.

Table 5. Mobility Characteristics- Reno-Sparks MSA and United States⁶

Mobility	Reno-Sparks MSA		United States	
	2014	2019	2014	2019
Mobility of Population w/in Last 12 Months				
Same House	351,666	389,848	268,147,625	280,343,146
Moved w/in Same County	57,044	51,228	27,290,363	24,512,131
Moved from Other NV County	7,441	10,102	10,281,031	10,501,717
Moved from Different State	20,863	14,477	7,334,169	7,398,337
Moved from Abroad	1,585	4,435	2,042,205	1,910,192
<i>Moved from Outside County</i>	<i>29,889</i>	<i>29,014</i>	<i>19,657,405</i>	<i>19,810,246</i>
Mobility of Population (% of Total Population)				
Same House	80.2%	82.9%	85.1%	86.3%
Moved w/in Same County	13.0%	10.9%	8.7%	7.5%
Moved from Other NV County	1.7%	2.1%	3.3%	3.2%
Moved from Different State	4.8%	3.1%	2.3%	2.3%
Moved from Abroad	0.4%	0.9%	0.6%	0.6%
Median Age of Mobile Residents				
Same House	42.0	42.0	40.9	41.2
Moved w/in Same County	27.7	29.5	27.9	29.0
Moved from Other NV County	28.4	22.7	27.2	28.1
Moved from Different State	35.0	29.7	28.1	28.9
Moved from Abroad	26.5	29.6	29.1	29.3
Moving from Outside County-Income (Aged 15+)				
No income	5,202	2,610	2,912,806	2,683,880
\$1 to \$9,999 or loss	6,103	4,625	4,009,529	3,297,145
\$10,000 to \$14,999	2,647	1,874	1,415,488	1,253,483
\$15,000 to \$24,999	3,301	4,497	2,155,283	2,082,140
\$25,000 to \$34,999	2,034	3,054	1,563,724	1,687,780
\$35,000 to \$49,999	2,507	3,320	1,608,644	1,825,660
\$50,000 to \$64,999	1,062	1,690	1,026,472	1,307,407
\$65,000 to \$74,999	826	1,023	411,186	577,719
\$75,000 or more	3,126	2,430	1,430,536	2,097,376
Median Individual Income of Mobile Residents				
Same House	\$ 28,923	\$ 36,921	\$ 27,666	\$ 33,163
Moved w/in Same County	\$ 21,890	\$ 34,360	\$ 21,988	\$ 29,682
Moved from Other NV County	\$ 16,231	\$ 20,348	\$ 20,421	\$ 26,607
Moved from Different State	\$ 22,591	\$ 35,613	\$ 22,243	\$ 29,654
Moved from Abroad	\$ 4,854	\$ 19,475	\$ 17,730	\$ 21,060

⁶ U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates.

The table shows that the Reno area has higher rates of resident movement with 17.1% of all residents moving from their existing home in the past 12 months in 2019, compared to 13.7% of residents in the US. The number of relocations to a different county for MSA residents is on par with the overall US level, with 6.2% of residents moved from outside the counties making up the MSA in 2019, compared to 6.1% in the US who moved from a different county.

The table also shows median age ranges for the mobile residents. The table shows residents moving from outside the MSA were younger in 2019 than they were in 2014. More importantly, the table also shows personal income levels for these residents by mobility type. The table reports median individual incomes for MSA residents increased, exceeding national levels for all measurements with the exception of those moving from other Nevada counties and from abroad.

Overall, the region has experienced high levels of growth, with rising income levels for existing and new residents. These trends exist at a time when housing supply remains low, leading to low vacancy rates across all residential units while putting upward pressure on housing costs.

EMPLOYMENT TRENDS AND PROJECTIONS

The driving force behind population growth in the Reno MSA region is growth in employment, as new companies streamed into the region following the recession. Figure 1 shows historical employment and unemployment rate data for the Reno-Sparks MSA.

The figure shows MSA employment by place of residence was significantly impacted by the Great Recession, but recovered strongly, with 2019 employment (249,652) now greatly exceeding its peak employment in 2007 of 215,193. In 2020 employment dropped to 229,466 before recovering to 247,264 employees by April 2022. Employment by place of residence remains 2,400 persons below 2019 levels, while employment by workplace in the MSA is almost 10,000 above the 2019 level. However, labor force, represented by all persons in the region available and interested in work, declined by 10,000 persons between 2019



and April 2022, indicating more persons are employed as a ratio of those available for work in 2022.

This is supported by the region’s unemployment rates, which were already unsustainably low at 2.8% in December 2019. In April 2020 unemployment peaked at 19.9% due to the pandemic, but declined sharply as people returned to work and exited the labor force market in what is now being called the Great Resignation. This drove the unemployment rate to 2.7%, significantly below the natural unemployment rates estimated by the Federal Reserve at 4.5%. As of April 2022, there were only 7,000 persons in the MSA’s labor force who were not employed.

Figure 1. Annual Employment and Unemployment Rate-Reno-Sparks MSA⁷

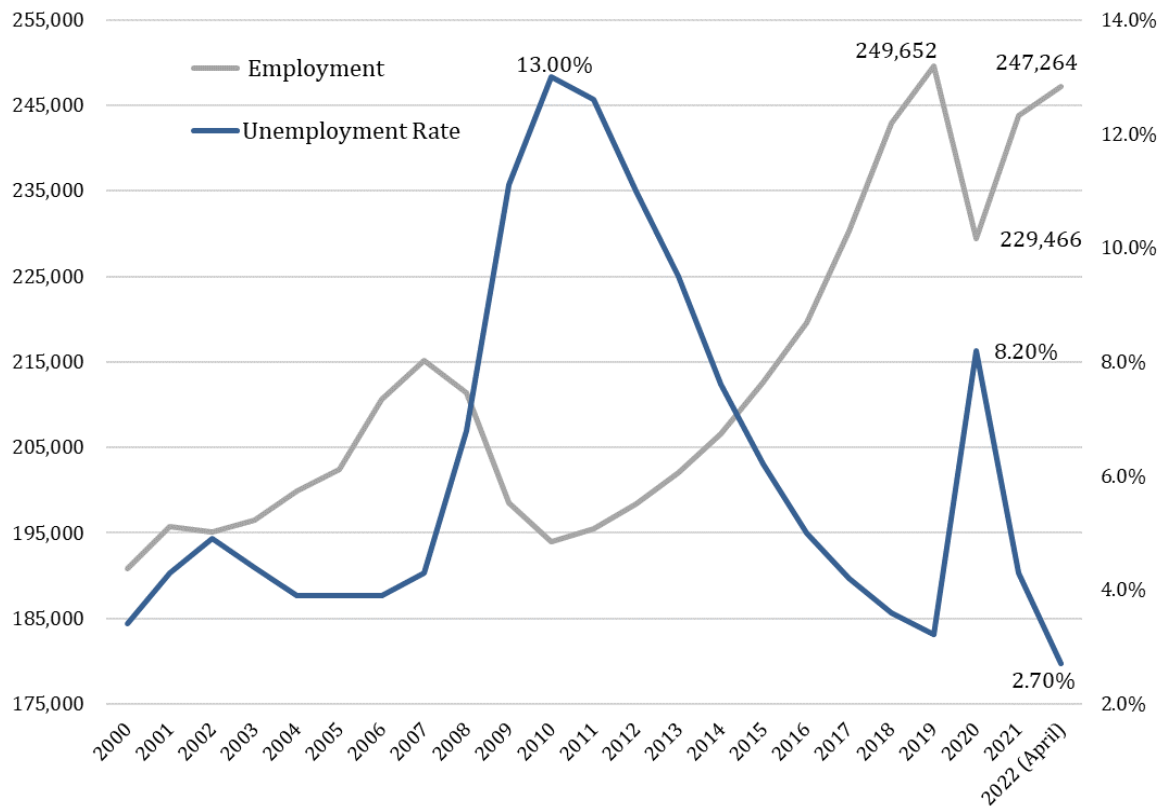
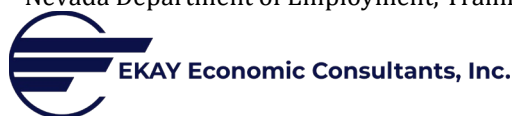


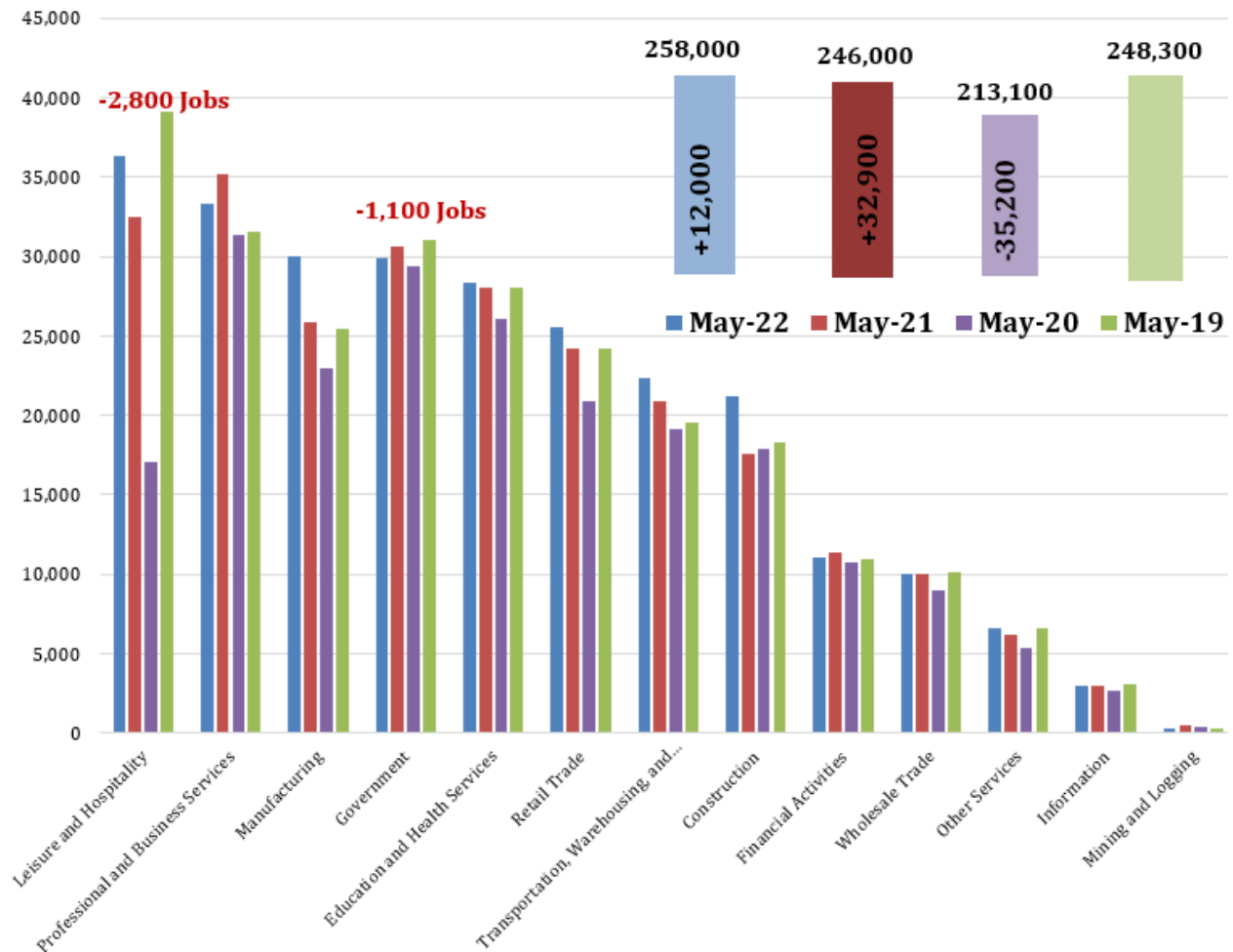
Figure 2 shows the impact of the COVID-19 pandemic on employment by industry in the Reno-Sparks MSA. The figure shows employment changes between May 2019 and May 2022, the latest data for which regional employment is available. The figure shows employment

⁷ Nevada Department of Employment, Training, and Rehabilitation, LAUS.



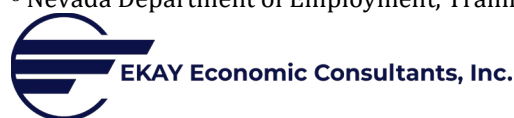
declined by over 35,000 between May 2019 and May 2020 as many businesses remained closed due to the pandemic. By May 2021, the majority of these jobs returned and by May 2022, the region has added almost 10,000 new jobs, compared to May 2019 levels.

Figure 2. Employment Changes May 2019 to 2022- Reno-Sparks MSA⁸



It should be noted the difference in the job counts in Figures 1 and 2 is due to the location of employment reported. Figure 1 shows Local Area Unemployment (LAUS) data, which is reported by residents based on their place of residence. As a result, Figure 1 reports data for employees who live in the Reno-Sparks region, but may be employed elsewhere. Figure 2 reports Current Employment Statistics (CES) data, which is reported by businesses based on their location. As a result, Figure 2 shows actual jobs added in the region, regardless of where

⁸ Nevada Department of Employment, Training, and Rehabilitation, CES.



the employees live. Overall, the discrepancy between the two reports is that the Reno-Sparks MSA has added a significant number of jobs, despite a decline in the number of workers living in the region. This is consistent with the growth in population in surrounding regions, such as Lyon County where homes are cheaper. These residents live outside of the MSA and commute to the MSA for employment.

Another important finding of Figure 2 is that despite almost 10,000 added to the region between May 2019 and 2022, two industries have failed to return to their pre-pandemic employment. The Leisure and Hospitality sector shows 2,800 fewer jobs in May 2022 than in 2019, with the Government sector showing a decline in 1,100 jobs.

Figure 3 shows the same information comparing May 2019 and 2022 employment by industry, along with 2021 average wages for each industry. The table shows the average wage for all industries in the Reno-Sparks MSA was \$30.60 per hour. This is an increase of 8.7% over 2020 wages of \$28.15, which, in turn, increased by 10.7% from 2019 levels of \$25.44.

The figure also shows that the top two industries with the highest employment growth between May 2019 and 2022, Manufacturing and Construction, had average wages above average region-wide levels. The third industry, Transportation, Warehousing, and Utilities, has wages slightly below regional levels. The Leisure and Hospitality industry, which saw the highest decline in employment between May 2019 and 2022, had wages of \$14.12, less than half of regional wages. This shift in employment from lower to higher paying industries is one of the major reasons behind significant wage growth in the region.

HOUSING MARKET

Increasing wages for worker households in the region are occurring at the same time as significantly increasing home prices. Figure 4 shows single-family home sales and median prices in Washoe County as of April 2022. Storey County data is not provided as the county does not have significant home sales. According to Zillow.com, as of June 21, 2022, there were sixteen existing homes listed for sale in Storey County with a median asking price of \$632,500, and no significant new homes are planned.

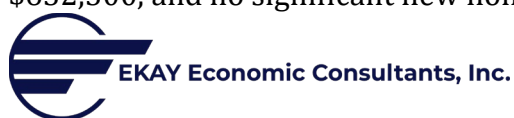


Figure 3. Employment Changes May 2019 to 2022 with 2021 Wages- Reno-Sparks MSA⁹

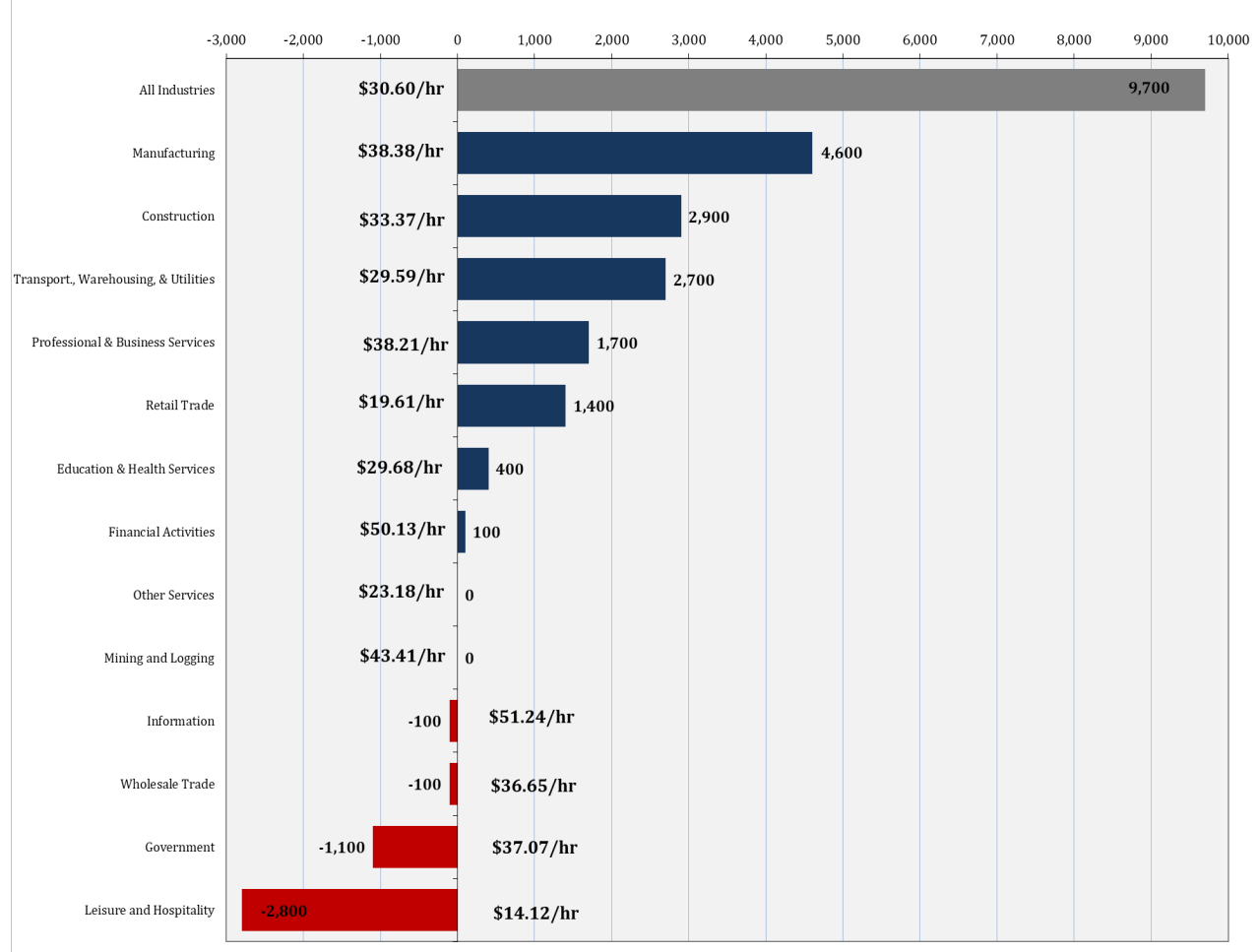
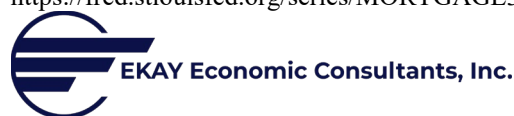


Figure 4 shows the number of homes (new and existing) sold in Washoe County declined in 2018 and 2019, but home sales in 2020, during the COVID-19 pandemic, exceeded 2017 activity. By 2021, total sales reached 9,287 units. One of the reasons demand continued to increase even as home prices increased was historically low interest rates. However, as mortgage rates increased from 3.45% in January 2022 to 4.98% in April 2022 and 5.37% in June 2022¹⁰, increasing the cost of monthly home payments, demand for homes is expected to slow down. This can already be seen in the Washoe County market where the average number of homes sold between January and April 2022 was 632, lower than the average for

⁹ Nevada Department of Employment, Training, and Rehabilitation, CES.

¹⁰ 30-Year Fixed Rate Mortgage Average in the United States, Federal Reserve Bank of St. Louis.

<https://fred.stlouisfed.org/series/MORTGAGE30US>



the same period in 2021 of 669 units, though it remains well above the average sales during the same period in 2020 of 593.

Also of interest is the decreasing gap between new and existing housing, which reached \$160,000 in December 2018. By April 2022, the median sales price for new homes of \$641,128 was only slightly over \$40,000 over the median sales price of existing properties of \$599,810 due to the lack of existing homes on the market.

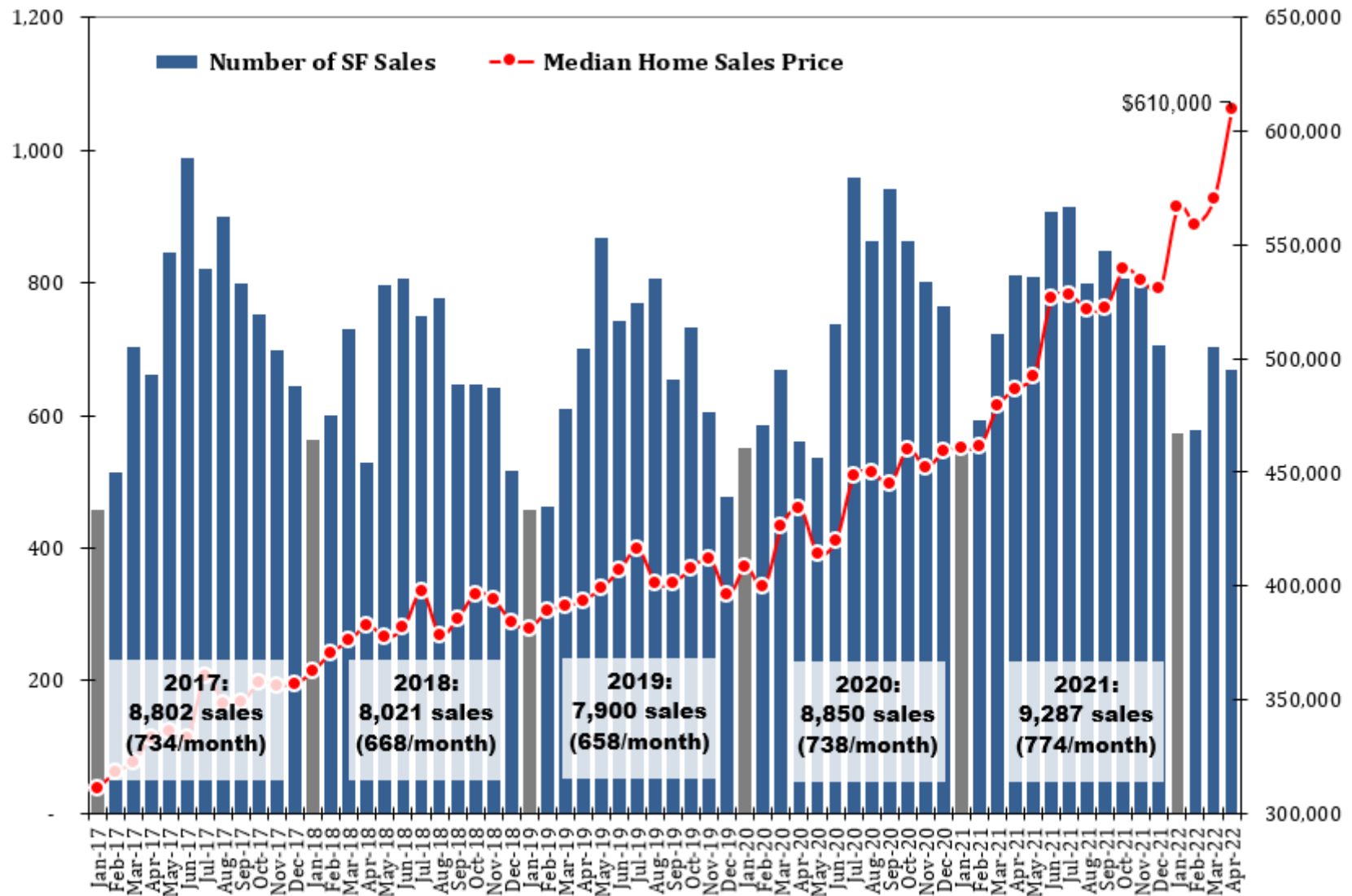
Home prices in the region continue to increase. Prices in April 2022 (\$610,000) increased by 25.3% over April 2021 levels (\$486,700), which were already 12.1% higher than April 2020 levels (\$429,100). This is driven, in part by incredibly low vacancy rates for homes, shown in Table 3 to be below 1.0% for owned units and significant employment growth driven by Reno area's diversification into Manufacturing and Transportation & Warehousing industries. These industries are primed for decades of growth due to increases in electric vehicle demand and the move to on- and near-shoring of supply chains caused by increasing global economic and geopolitical disruptions.

The resulting increase in demand for housing has also impacted the rental market. According to the quarterly apartment survey conducted by Johnson Perkins Griffin, rental rates in the region continue to grow, while vacancy rates remain low. Figure 5 shows this information by quarter starting in 2017. Rental rates reached \$1,633 by the 1st quarter of 2022, an 11% increase over 1st quarter 2021 of \$1,469 per month. While vacancy rates in the 1st quarter 2022 increased to 2.7% compared to 1.9% in the 1st quarter 2021, they remain historically low, especially when compared to 2018 and 2019 levels.

The Johnson Perkins report shows rental data for the larger apartment properties only. It does not include smaller apartment complexes, student and senior housing developments, single-family home rentals, and condominiums/townhomes. According to Zillow.com, there were 194 single family homes listed for rent, with a median asking price of \$2,695 per month, ranging from \$1,000 to \$8,900. There were also 35 single family attached (condominium and townhome units) available for rent in the Reno-Sparks area with a median asking price of \$1,895, ranging in asking price from \$850 to \$3,500.



Figure 4. Number of Single Family Home Sales and Median Prices-Washoe County¹¹



¹¹ Center for Regional Studies, University of Nevada, Reno. Based on data reported by the Washoe County Assessor’s Office.

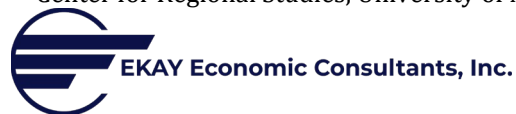
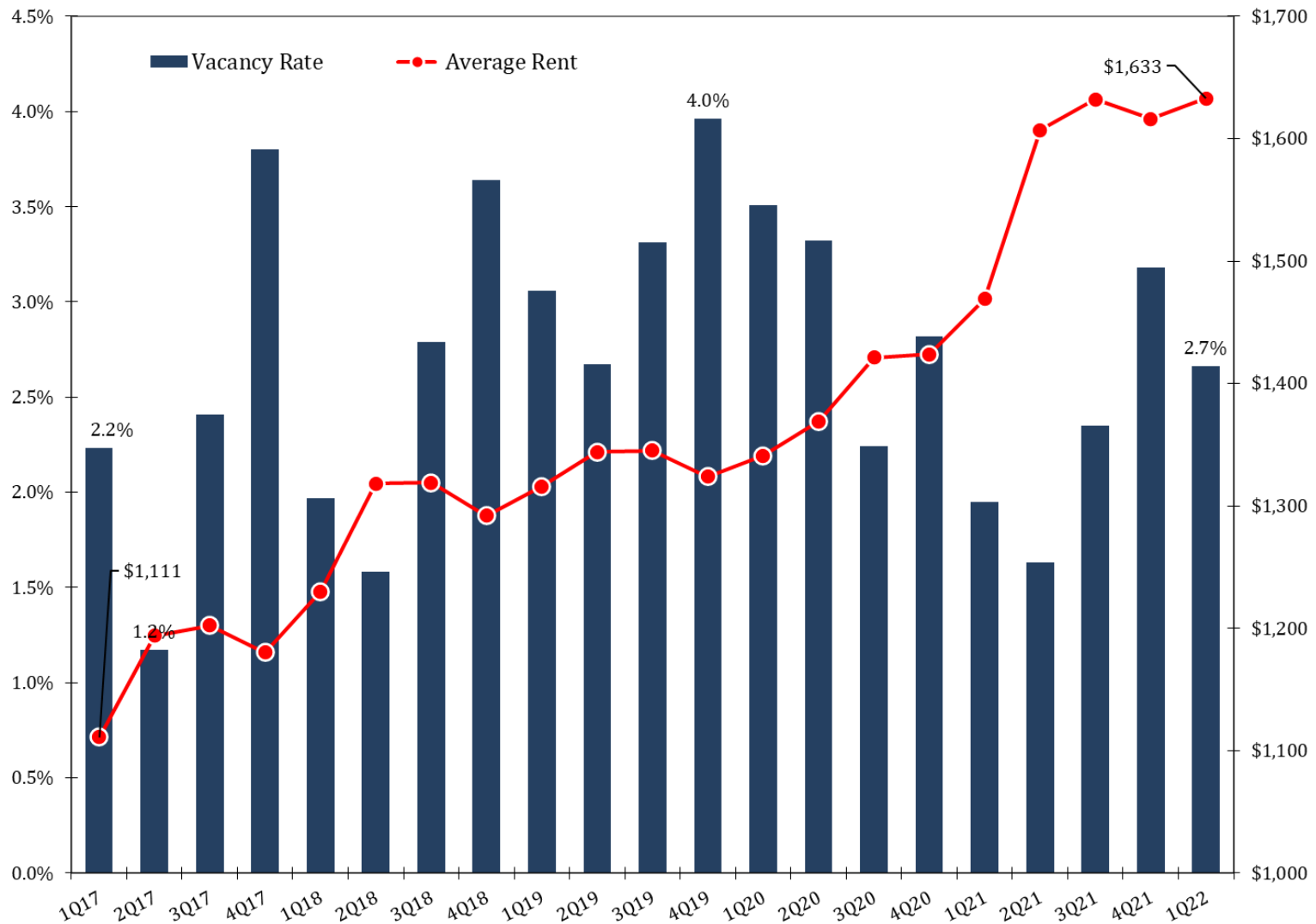
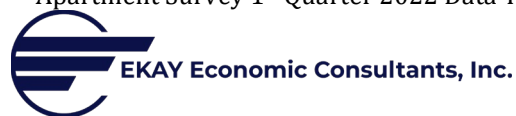


Figure 5. Average Rental and Vacancy Rates for Apartments-Reno-Sparks Metro Area¹²



¹² Apartment Survey 1st Quarter 2022 Data-Reno/Sparks Metro Area, Johnson Perkins Griffin, LLC.



Using an affordability calculator created by the Center for Regional Studies at the University of Nevada, Reno and Ekay Economic Consultants, assuming a 10% down payment and a 6.25% 30-year fixed mortgage rate, along with standard housing expenses, a family will need an income of \$193,104 to afford a new home at the median Greater Reno-Sparks price in April 2022 of \$641,128 and an income of \$181,623 to afford an existing home with a median price of \$599,810. For rental product, a family needs an income of \$67,920 to afford an apartment at the rental rate of \$1,633, income of \$115,376 to afford to rent a single-family home at \$2,695 per month, and income of \$81,696 to afford to rent a condominium or townhome at \$1,895 per month, the median rental rates in the region.

Table 6 shows the ability of an average family with the primary employee working in each major industry in the Reno-Sparks MSA to purchase homes in the region. The table assumes the average family has 1.8 workers per family (US Census Bureau), one employed in the industry shown in the table, with the remaining 0.8 persons earning the average region-wide wage.

Given the discussion of home prices in April 2022 of \$641,128 and \$599,810 for new and existing homes respectively, the table shows no family with average wages for any industry can afford a home in the region at the median price. Just a year ago, average earning workers in a number of industries could afford at least an existing home. However, rapidly increasing mortgage rates have increased home prices significantly, reducing the affordable home prices in the region, and across the US. Households with more than one worker and earning average wages in all industries can afford to rent apartments and condominium/townhomes in the region. Families with employees in the Other Services, Retail Trade, and Leisure and Hospitality industries cannot afford to rent single family home at the median asking prices.

This indicates the affordability issues that have plagued the region over the last few years will continue to increase as the mortgage rates grow, creating affordability issues for more families in the region.

Table 6. Home Affordability by Estimated Family Working Income by Industry-Reno-Sparks MSA

Industry	# of Employees	Average Hourly Wage	Average Annual Wage	Estimated Average Family Wage	Affordable Home Price	Affordable Monthly Rental Rate
Information	3,012	\$ 51	\$ 106,585	\$ 157,496	\$ 512,000	\$ 3,875
Financial Activities	10,431	50.13	104,270	155,181	505,000	3,825
Mining and Logging	272	43.41	90,292	141,203	455,000	3,475
Manufacturing	26,874	38.38	79,839	130,750	415,000	3,200
Professional & Business Services	32,059	38.21	79,482	130,393	415,000	3,200
Government	8,836	37.07	77,095	128,006	410,000	3,150
Wholesale Trade	9,678	36.65	76,228	127,139	405,000	3,125
Construction	19,575	33.37	69,406	120,317	380,000	2,950
Regional Average	241,011	30.60	63,639	114,550	357,000	2,800
Education & Health Services	42,942	29.68	61,743	112,654	350,000	2,750
Transportation, Warehousing, & Utilities	22,739	29.59	61,543	112,454	350,000	2,750
Other Services	5,912	23.18	48,210	99,121	305,000	2,425
Retail Trade	24,360	19.61	40,781	91,692	275,000	2,225
Leisure and Hospitality	32,799	14.12	29,374	80,285	235,000	1,950
Unclassified	1,524	-	-	-	-	-

1. Number of employees and average hourly employee wages for Reno-Sparks MSA, Quarterly Census of Employment and Wages, data for 2021, Nevada Department of Employment, Training, and Rehabilitation.

2. Family income is estimated at 1.80 workers per family based on data for Washoe County from B23009: Presence of Own Children Under 18 Years by Family Type by Number of Workers in Family in Past 12 Months - Universe: Families, American FactFinder, US Census Bureau, 2019. It is assumed 1 worker per family will earn income at the median income shown for that occupation. The remaining 0.80 worker in the family will earn a median wage for Reno-Sparks MSA of \$63,639.

3. Maximum affordable home price and rental rate estimated using a proprietary affordability calculator created by the Center for Regional Studies, UNR and Ekay Economic Consultants, Inc. The calculator estimates family income necessary to afford home-related costs, including rent/mortgage, utilities, HOA, and property taxes, at 30% of family income.

II. RENTAL HOUSING SUPPLY

UNIVERSITY-OWNED GRADUATE STUDENT HOUSING

Ponderosa Village remains the only on-campus housing option available for graduate students. The 132-unit apartment complex offers space for 227 residents with one and two-bedroom floor plans. One-bedroom units offer one or two-person occupancy and two-bedroom units have a maximum occupancy of two persons per bedroom. Ponderosa Village is also open to staff and faculty, as well as dependents for all residents.

For the 2022-2023 school year, Residential Life, Housing, and Food Services is expecting 100% occupancy with *256 applications for 44 available spaces*. Of the 227 units, 88% are expected to be occupied by graduate, PhD, and post-doctorate students and 12% occupied by staff and faculty. Approximately 19 (8%) units will include dependents in addition to students, faculty, and staff.

The Fall 2021-Summer 2022 rent roster reported 97% occupancy with 86% of the units occupied by graduate, PhD, and post-doctorate students; 11% occupied by staff or faculty; and the remaining seven units were temporarily unoccupied. The vacant units were due to the “point in time” reporting of occupancy data, with units shown as vacant due to the timing of move-in and move-out of residents, not long-term vacancy issues. Twenty-three of the units (10%), all occupied by graduate students, contained a dependent.

Ponderosa Village offers 12-month leases for fiscal year 2023 starting at \$737 per month in shared two-bedroom units and increases to \$1,432 per month for a full two-bedroom unit. One-bedroom units run \$1,202 per month and all units have a \$30 administrative fee. Lease amounts for fiscal year 2023 increased 4.5% across all floor plans after lease rates held steady between fiscal year 2020 and fiscal year 2022.

PRIVATELY-OWNED STUDENT HOUSING

There are 13 privately-owned student housing facilities with 5,586 beds that serve the University student population, including graduate students. There are two additional facilities currently under construction that will add 1,377 beds in 2023, and two more properties that have expressed tentative interest in adding beds in the future. Land on Highlands Avenue for one of these pending developments has been assembled by a student housing developer and construction and grading permits were pulled in December 2021.

Almost all of the facilities were constructed with a “pod” design that allows students to lease an individual bedroom and not an entire unit. Most, but not all bedrooms have their own bathroom, but share kitchens and living rooms. Many have amenities including pools, fitness rooms, barbeque patios, lounges, security gates, private parking, and more.

Recent research on occupancy and rents conducted mid-June 2022 show interesting, but not surprising, occupancy trends across the properties:

- Outside of the Uncommon development, possibly due to their rental rates compared to similar products, all studios or 1-bedroom floor plans are leased-out for the 2022-2023 school year;
- Only two out of 13 facilities offer a 1-bed/1-bath floor plan;
- Four out of nine facilities that offer 2-bed/2-bath floor plans have leased-out of that product;
- Three out of nine facilities that offer 3-bed/3-bath floor plans have leased-out of that product;
- Three out of 10 facilities that offer 4-bed/4-bath floor plans have leased-out of that product;
- All 5-bedroom floor plans across five facilities remain available;
- Lease rates decrease relative to the number of bedrooms per unit (except for Studio/1 bedroom units), thus the continued availability of multi-bedroom product indicates that students value privacy over thrift;

- The average lease for floor plans that are currently sold out (and where prices are available) is \$1,042 per month, with average rent for all units by floor plan shown below;

Floor Plan*	Average Monthly Lease Rate/Bedroom
Studio	\$ 1,422
1 Bed Unit	\$ 1,550
2 Bed Unit	\$ 984
3 Bed Unit	\$ 903
4 Bed Unit	\$ 834
5 Bed Unit	\$ 812
*No shared bathrooms	

- Only three out of 13 facilities are currently offering lease incentives.

Figure 6 and related table show the location and pertinent information of private student housing in the region.

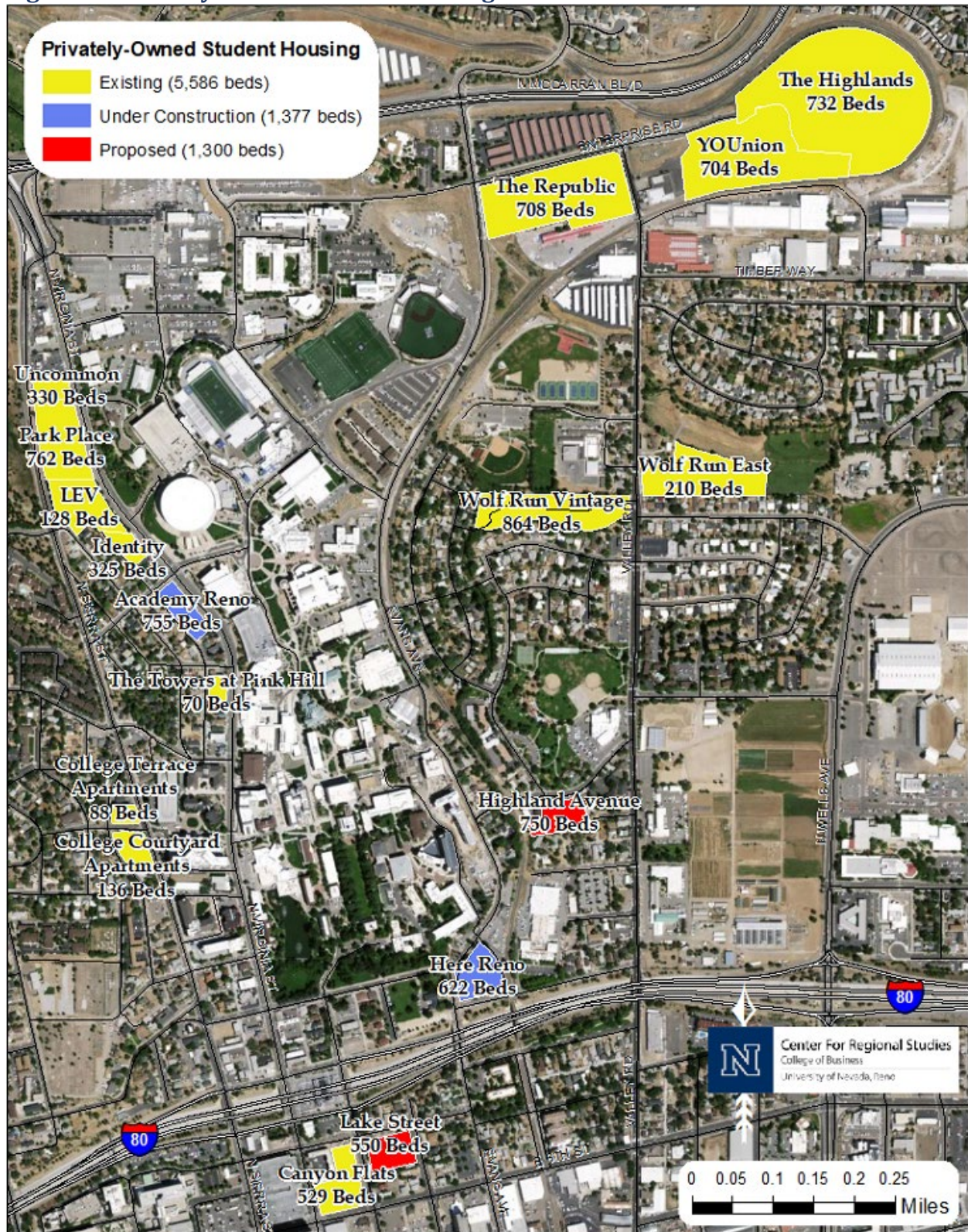
PROXIMATE APARTMENT PROPERTIES

Traditional apartment construction also provides residential options for graduate students and is the only multifamily residential option for staff and faculty outside of Ponderosa Village. Graduate student, staff, and faculty seek University-provided housing for three reasons: (1) affordability, (2) proximity, and (3) because they or their household are in transition. Although a portion of graduate students, staff, and faculty seeking housing will prefer to live at a distance from the University, the majority seeking *University-provided housing* will choose to live nearby the University.

Within two miles from the edges of the University, 61 apartment complexes with at least 45 units exist, providing 8,418 market-rate, senior, and subsidized rental units. The majority of existing apartments in the vicinity of the University are dated, however, with 45% of units built before 1980 and almost three out of four apartment units built before 2001. *Only 9% of apartment units within two miles of the University were built since 2011.* This information is shown in Figure 7.



Figure 6. Privately-Owned Student Housing



Property	Floor Plan	Lease	Status/Incentives	Year Built
Park Place	Studio	\$1,725	sold out	2021
	1-bed/1-bath	\$1,550	sold out	
	2-bed/2-bath	\$1,075	almost sold out	
	3-bed/3-bath	\$955	sold out	
	4-bed/3-bath			
	4-bed/4-bath	\$895	almost sold out	
Uncommon	5-bed/5-bath	\$885		2020
	Studio	\$1,499	\$50 off monthly rent or \$700 gift card on select units	
	2-bed/2-bath	\$1,059		
	3-bed/3-bath	\$999		
Canyon Flats	4-bed/4-bath	\$899		2020
	1-bed/1-bath		sold out	
	2-bed/2-bath	\$1,100		
	3-bed/3-bath	\$909		
Wolf Run East	4-bed/4-bath	\$769	\$1,000 gift card before Aug 1	2017
	Studio	\$1,450	sold out	
	2-bed/2-bath	\$929		
	3-bed/3-bath	\$899		
Identity	Studio	\$975	sold out	2017
	2-bed/2-bath	\$975	sold out	
	3-bed/2-bath	\$885	"look & lease special" within 48 hours = \$800 gift card (all units)	
	3-bed/3-bath	\$911	"tour & win" for chance at \$500 gift card (all units)	
	4-bed/2-bath	\$824		
	4-bed/3-bath	\$839		
	4-bed/4-bath	\$865		
	5-bed/4-bath	\$824		
5-bed/5-bath	\$860			
The Towers @ Pink Hill	Studio	\$1,460		2017
	2-bed/2-bath	\$950		
	3-bed/2-bath	\$825		
	3-bed/3-bath	\$900		
	4-bed/3-bath	\$825		
Younion	2-bed/2-bath		sold out	2016
	3-bed/3-bath		sold out	
	3-bed/3-bath shared	\$679		
	4-bed/4-bath	\$839		
	5-bed/5-bath	\$789		
The Republic	2-bed/2-bath	\$969	sold out	2014
	2-bed/2-bath shared	\$759	sold out	
	3-bed/3-bath delux	\$919	only single spots left	
	3-bed/3-bath	\$859	only single spots left	
	4-bed/4-bath	\$789	\$250 off Aug rent before June 8th	
	5-bed/5-bath	\$749	\$250 off Aug rent before June 8th	
The Highlands	5-bed/5-bath delux	\$779	\$250 off Aug rent before June 8th	2004
	2-bed/2-bath	\$815	sold out	
	3-bed/3-bath	\$775	sold out	
	4-bed/4-bath	\$800	sold out	
College Courtyard Apartments	4-bed/2-bath	\$715		1999
College Terrace Apartments	4-bed/2-bath		sold out	
LEV	4-bed/4-bath	\$819		1980
Wolf Run Vintage	6-bed/5-bath	\$649		1961



Figure 7. Existing Apartments with 45 Units or More Within Two Miles

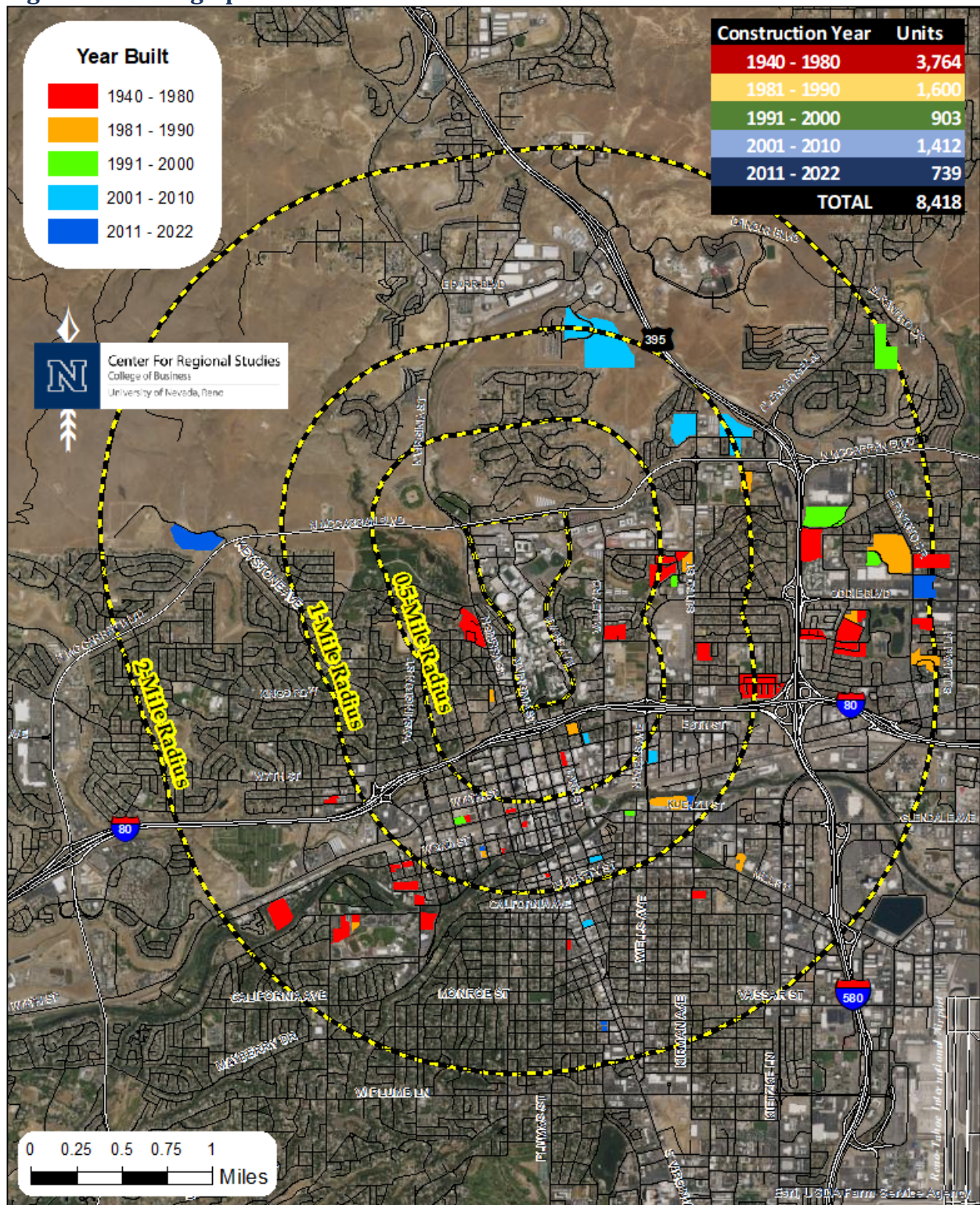
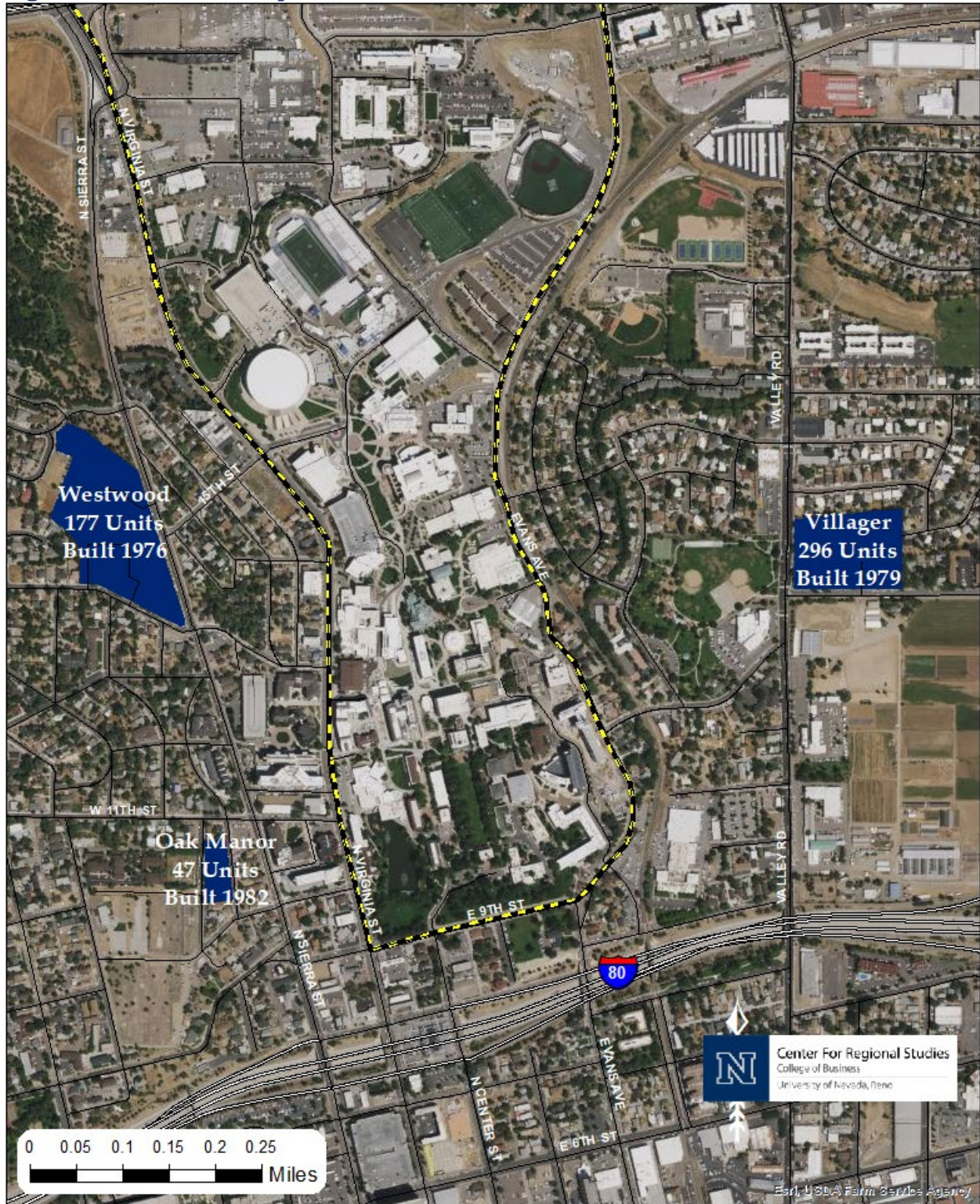


Figure 8. Market-Rate Apartments with 45 Units or More Within 0.5 Miles



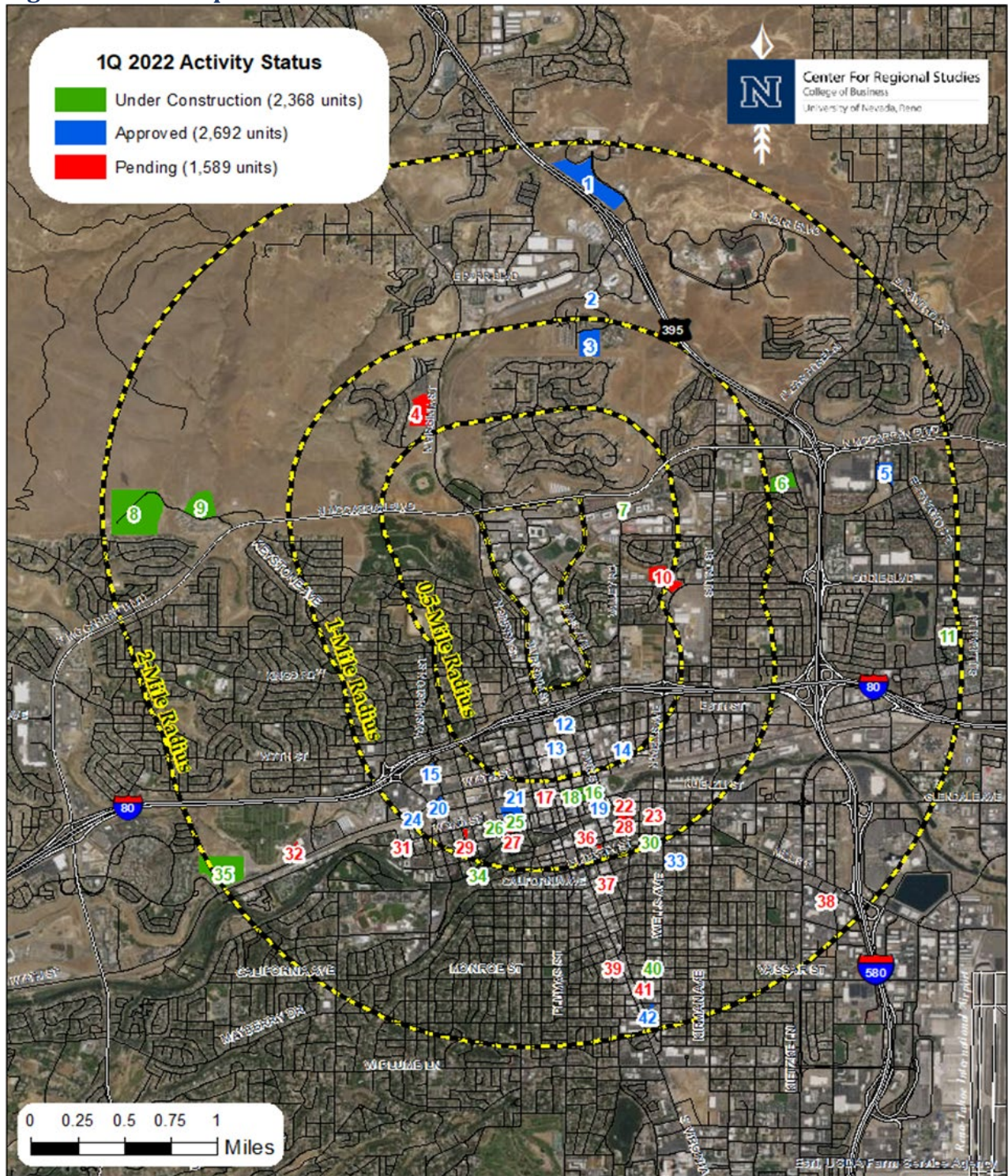
As shown in Figure 8, within walking distance, estimated at half a mile, the number of existing apartment complexes with at least 45 units decreases to three, providing 520 units. *However, all market-rate, multifamily product within walking distance of the University is dated, with the most recent apartment construction occurring nearly 40 years ago.* Moreover, all three properties are designated as low to fair in quality by the Washoe County Assessor's Office, the bottom two tiers out of seven quality classifications assigned to commercial properties.

NEARBY FUTURE APARTMENT PROPERTIES

Due to consistent trends of low to very low vacancy rates in Reno-Sparks multifamily product, as discussed in Section I of this report, there is significant amount of apartment permitting and construction activity. Within two miles of the University, and as of March 31, 2022, there are 42 apartment projects under construction, approved, or seeking approval. Total unit count for these projects in the pipeline is 4,755 units, with 2,368 units under construction, 2,692 entitled units, and 1,589 units seeking entitlement. This is shown in Figure 9 and the accompanying table.

Future apartment development within walking distance to the University (half a mile) is limited to five projects, only one of which is currently under construction (The Edison). Two of the approved projects within half a mile of the University (600 block of North Lake Street and 500 block of North Virginia Street) are in the vicinity of the Canyon Flats student housing development and have eliminated all structures on the parcels. The Lake Street apartments received a new commercial construction permit in June 2021 and a fire sprinkler permit in February 2022, but there has been no activity onsite as of the date of this report. There has been no permit activity for the Virginia Street project. The approved Print Shop Lofts on Valley Road received a building remodel permit in September 2019 (the building previously housed a printing business) and a fire sprinkler permit in December 2021. The remaining, pending project within walking distance, LIV+, was proposed in the third quarter of 2019, but the property is still family-owned with not permit activity.

Figure 9. Future Apartment Construction Within Two Miles



Map #	Development	Units	Status	Map #	Development	Units	Status
1	Spectrum	420	Approved	22	Grants Landing Apartments	375	Pending
2	Bennie Lane Studies	119	Approved	23	64 Park	14	Pending
3	Stone Village Apartments	300	Approved	24	W 4th Affordable Housing	9	Approved
4	Southern Edge	56	Pending	25	Mod2	69	Under Construction
5	Northtowne Apartments	120	Approved	26	Ralston Street Apartments	34	Under Construction
6	Springview by Vintage	180	Under Construction	27	Stevenson Street Housing	210	Pending
7	The Edison	232	Under Construction	28	State Street Apartments	64	Pending
8	The Overlook @ Keystone Canyon	342	Under Construction	29	126 Winter Street Apartments	66	Pending
9	Villas II @ Keystone Canyon	115	Under Construction	30	Ryland Apartments	118	Under Construction
10	LIV+	200	Pending	31	1250 W 2nd Street Apartments	24	Pending
11	Sierra Cove	34	Under Construction	32	West Fourth Multifamily	40	Pending
12	Lake Street Apartments	277	Approved	33	Stewart Street Apartments	69	Approved
13	550 N Virginia Street	261	Approved	34	Riverside Apartments	34	Under Construction
14	Print Shop Lofts	23	Approved	35	The Retreat	283	Under Construction
15	Keystone Commons	302	Approved	36	Sinclair Multifamily	47	Pending
16	Ballpark Apartments	369	Under Construction	37	South Center Multifamily	156	Pending
17	90 West Commercial Row	103	Pending	38	2050 Market Street Apartments	210	Pending
18	Reno City Center	550	Under Construction	39	Haskell Row II	16	Pending
19	Riverfront Apartments	393	Approved	40	Vassar Street 4-Plexes	8	Under Construction
20	5th & Vine	296	Approved	41	The Arroyo Townhomes	8	Pending
21	245 North Arlington	63	Approved	42	Vesta Street Apartments	40	Approved
TOTAL						4,755	

Although slightly outside one-half mile from the University, Downtown Reno on the north side of Truckee River can be considered walkable to the University due to straight-line and flat access. In addition to fairly optimal pedestrian access to the University, Downtown Reno also provides a new rapid transit bus along Virginia Street that connects downtown to the University, as well as amenities in Midtown and at Meadowood Mall. The pedestrian and rapid bus service connections to the University, in addition to supporting amenities to households, exposes Downtown Reno as a potentially favorable option for graduate student, staff, and faculty housing.

Within Downtown Reno and north of Truckee River, there are five apartment developments under construction with a total of 1,056 units. The largest apartment projects under construction include the Ballpark Apartments (369 units) across from Greater Nevada Field, home to the Reno Aces baseball team, and Reno City Center (550 units), a mixed-use, casino-conversion project (previously the Harrah’s casino and hotel) that will also provide in-house amenities for residences. These two projects directly connect into the University along north-south streets and are directly on or near the rapid transit bus route. The remaining three apartment projects under construction, ranging between 34 and 69 units, are located several blocks west of Virginia Street, adding distance to the University and supporting amenities found in the core of downtown.



Other potential and intriguing future apartment developments within the Downtown Reno core include the proposed West Commercial Row project (103 units) adjacent to the Whitney Peak Hotel and owned by its proprietors, the Riverfront Apartments (393 units) across the street from the Ballpark Apartments and owned by its proprietors, and the Grants Landing Apartments (375 units) south of Truckee River and adjacent to the Reno Auto Museum. These three future developments will be significant in size, will potentially have onsite amenities or are located nearby amenities for residences, and have accessible ped/bike and nearby rapid bus connections to the University.

APARTMENT RENTS AND VACANCIES

Apartment rents and vacancies are difficult to ascertain due to lack of requirements for providing the information, difficulties in obtaining the information from landlords due to confidentiality issues, and costs to conduct and maintain surveys. In the Reno-Sparks region there are two options for obtaining apartment rent and vacancy data. The most comprehensive survey of multifamily occupancy and housing cost information is conducted by the US Census Bureau (American Community Survey), but margins of error become large at the neighborhood level and the most recent information is for 2019. The other option chosen for this study is provided by a Reno appraisal company, Johnson Perkins Griffin, which consistently surveys large apartments in Reno-Sparks on a quarterly basis. The survey targets apartments with 80 or more units, but excludes student, senior, and subsidized housing properties. The 1st quarter 2022 survey included 102 properties covering 26,445 units. The results are reported at the regional level and for 11 Reno-Sparks submarkets. Results for the regional rental rates and vacancies are summarized in Figure 5 in Section I of this report.

Overall Reno-Sparks vacancy rates have been low (less than 5%) to very low (less than 3%) since 2013. Apartment vacancies began a slight increasing trend in the latter half of 2018, but after the COVID pandemic severely curtailed the listings of single-family homes in the region, the trend in vacancies returned to sub 3% levels. The most recent vacancy rate (1Q 2022) is 2.66% across Reno-Sparks market-rate apartments in the Johnson Perkins study.



Low to very low apartment vacancy rates puts upward pressure on rents. Apartment rent rates began their ascent at approximately the same time vacancies began to decline. Unlike the slight decline in vacancy rates in 2018, rent rates have continued to increase since 2013, with the most recent average rent reported at \$1,633 per month (1Q 2022) across all market-rate product in Reno-Sparks.

Apartment vacancy rates are also in the low to very low range when breaking down the product by the number of bedrooms. Studios currently have the highest vacancy rate (3.8%) and 3-bedroom/2-bath product has the lowest rate (2.3%), indicating that a high number of families are seeking apartments. Three-year trends show increases in vacancy rates for studios and 2 bed/1 bath apartments, vacancy rates declined for all other units. One of the reasons for increases in some vacancy rates may be due to increase in supply as new units are added to the market and are slow to absorb.

Inversely, apartment rent rates across all product types show significant annual increases, outside of 1-bedroom units. What is interesting is that 1 bedroom rates declined slightly, while vacancy rates for these units declined.

Table 7. Reno-Sparks Apartment Vacancy & Rent Rates by Product Type

Product Type	1Q 2022	1Q 2019	Change Amount	Ave. Annual % Change
Vacancy Rates				
Studio	3.8%	3.4%	0.4%	0.1%
1 Bedroom	2.4%	3.0%	-0.6%	-0.2%
2 Bed/1 Bath	3.3%	2.3%	1.0%	0.3%
2 Bed/2 Bath	2.6%	3.0%	-0.4%	-0.1%
3 Bed/2 Bath	2.3%	3.1%	-0.8%	-0.3%
Monthly Rental Rates				
Studio	\$ 1,150	\$ 801	\$ 349	12.8%
1 Bedroom	\$ 1,460	\$ 1,558	\$ (98)	-2.1%
2 Bed/1 Bath	\$ 1,501	\$ 1,217	\$ 284	7.2%
2 Bed/2 Bath	\$ 1,787	\$ 1,471	\$ 316	6.7%
3 Bed/2 Bath	\$ 2,180	\$ 1,779	\$ 401	7.0%

The three submarkets closest to the University includes Northwest Reno, Northeast Reno, and Downtown Reno/Downtown Sparks (combined). Apartment vacancy and rent rate

trends within Reno-Sparks submarkets do not deviate from overall trends, which reflects that housing availability and costs is a pressing issue across the region. Across the 11 submarkets surveyed, first quarter 2022 vacancy rates range between 1.43% (Airport submarket) and 4.15% (Lakeridge submarket). For the submarkets covering the University vicinity, the vacancy rate for the Northwest Reno submarket is 2.4% (fourth lowest), 3.9% for the Northeast submarket (third highest), and 3.0% for the Downtown Reno/Sparks submarket. It should be noted that new apartment inventory has been added at a much higher pace within Downtown Sparks, most likely skewing the survey results towards the Sparks portion of the Downtown Reno/Sparks (combined) submarket. Vacancy rate trends since pre-pandemic show that the Northeast Reno submarket has slightly increased vacancies, while vacancies have decreased in the Northwest Reno and Downtown Reno/Sparks submarket.

Average rents across all product type range between \$1,136 in the Brinkby/Grove submarket to \$1,873 in the Lakeridge submarket, as of first quarter 2022. Average rent in Northwest Reno is \$1,654 (\$21 above Reno-Sparks average), \$1,426 in the Northeast Reno submarket (\$207 less than Reno-Sparks average), and \$1,691 in the Downtown Reno/Sparks submarket (\$58 above Reno-Sparks average). Trends since pre-pandemic show moderate annual increases in rents across the submarkets surrounding the University (5% to 6% per year), but below the level for overall Reno-Sparks (7.5%).

Table 8. Apartment Vacancy & Rent Rates for University-Proximate Submarkets

Submarket	1Q 2022	1Q 2019	Change Amount	Ave. Annual % Change
Vacancy Rates				
Northwest Reno	2.4%	2.9%	-0.5%	-0.2%
Northeast Reno	3.9%	2.8%	1.1%	0.4%
Downtown Reno/Sparks	3.0%	6.3%	-3.3%	-1.1%
Overall Reno-Sparks	2.7%	5.2%	-2.5%	-0.8%
Monthly Rental Rates				
Northwest Reno	\$ 1,654	\$ 1,386	\$ 268	6.1%
Northeast Reno	\$ 1,426	\$ 1,197	\$ 229	6.0%
Downtown Reno/Sparks	\$ 1,691	\$ 1,457	\$ 234	5.1%
Overall Reno-Sparks	\$ 1,633	\$ 1,316	\$ 317	7.5%

NON APARTMENT (SINGLE-FAMILY HOME) RENTALS

Single-family home rentals are also an option for graduate students, staff, and faculty. Single-family homes for rent in Washoe County can be identified by using Washoe County Assessor tax cap information. Properties that are not primary residences for owners, and therefore presumed to be rentals, are assigned a high tax cap. Within two miles of the university there are 4,665 single-family units with a designated high tax cap, out of 16,112 total single-family homes within this distance (29%). This ratio of non-owner occupied single-family units is on par with the ratio across the overall Reno-Sparks region.

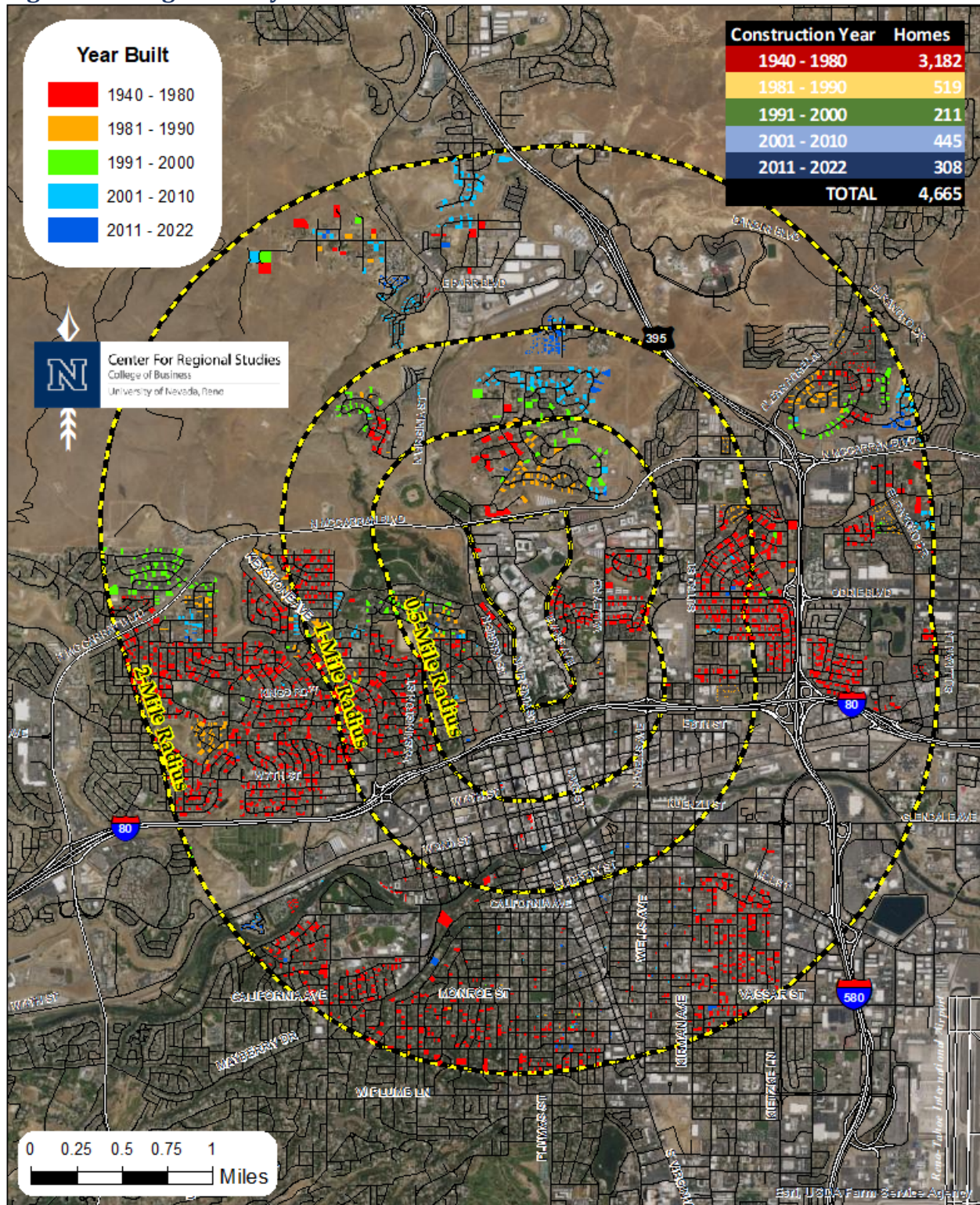
As with the multifamily product within two miles of the University, the majority of the single-family product for rent is dated. Almost 84% of single-family home rentals were built before 2001, and less than 7% were built since 2011. The majority of recently constructed single-family homes within two miles are located north of North McCarran Boulevard. Within a half mile from the University, the number of single-family home rentals decreases to 498, with only 32 of those homes constructed since 2001 and only eight constructed in the last seven years. Figure 10 shows this information visually.

A total of 42 single-family homes within two miles of the University were listed for rent in June 2022, according to Zillow.com. Listed rents for these homes ranged from \$850 for one-bedroom home and \$4,400 for a four-bedroom home. Table 9 summarizes current single-family home rental listings.

Table 9. Average Rents for Single-Family Homes Within Two Miles from UNR

Home Size	Average Asking Rent	# of Listings
1 Bedrooms	\$ 1,228	7
2 Bedrooms	\$ 1,837	17
3 Bedrooms	\$ 2,673	13
4 Bedrooms	\$ 3,460	5
6 Bedrooms	\$ 3,600	1

Figure 10. Single-Family Homes for Rent



III. GRADUATE STUDENT, STAFF, AND FACULTY HOUSING DEMAND

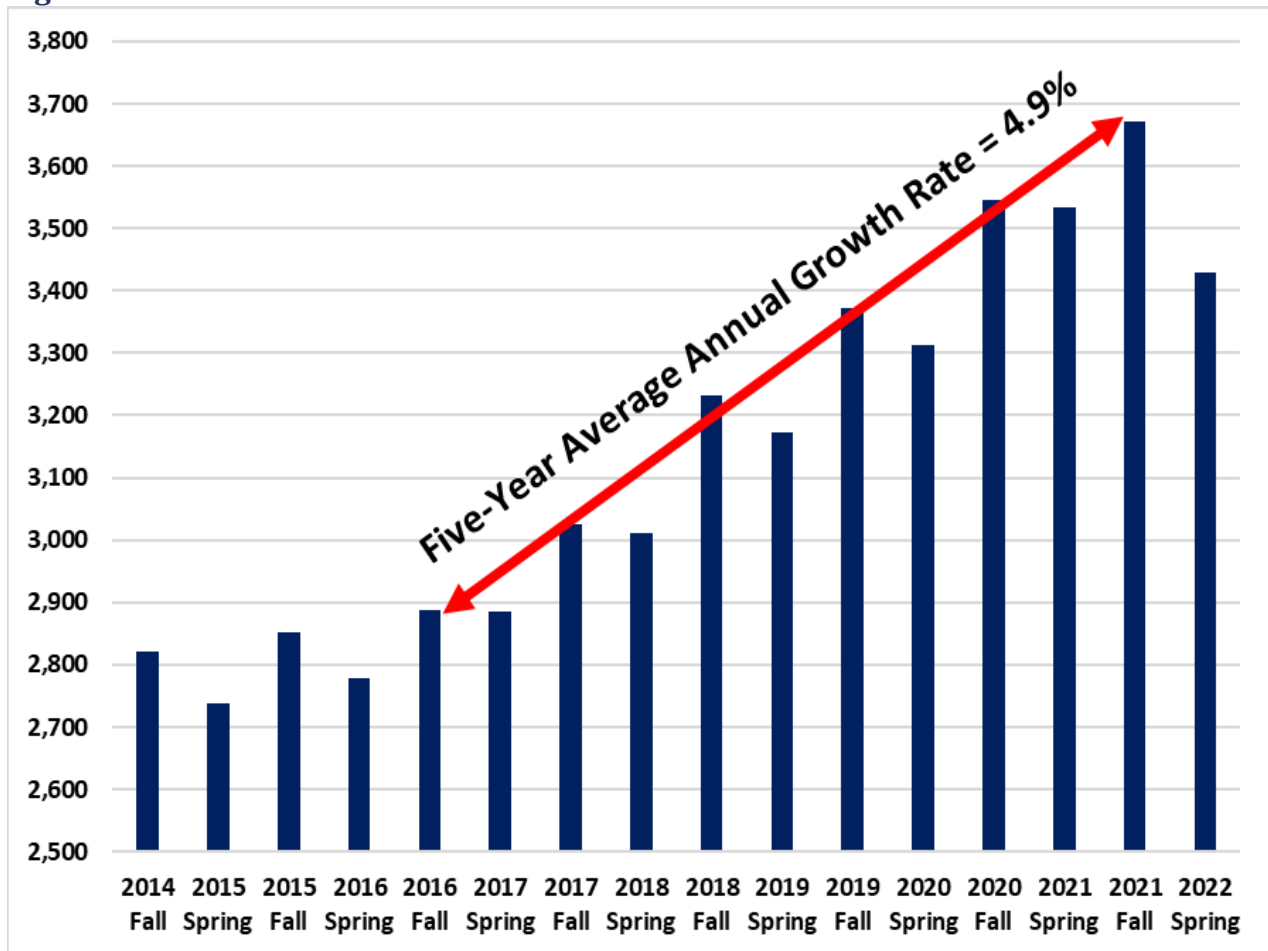
GRADUATE STUDENT ENROLLMENT

A total of 3,428 graduate students were enrolled at the University during the Spring 2022 semester, after peaking with 3,671 graduate students in Fall 2021. College enrollment typically declines between Fall and Spring semesters; however, the University's Spring 2022 decline was the highest within the 2014-2022 data obtained. Between Fall 2014 and Spring 2021, the average annual graduate-student enrollment at the University decreased between the Spring and Fall semesters was 43 students.

Between Fall 2021 and Spring 2022 semesters the decrease was 243 students. It should be noted that colleges and universities across the nation are struggling with low enrollment numbers due to a variety of factors that include a strong job market, pandemic fears, vaccine requirements, dislike of remote instruction, relaxed enrollment requirements in competing markets, and pandemic-fueled barriers on foreign student enrollment.

Nevertheless, year-over-year increases in graduate student enrollment at the University (Fall semesters) have been strong over the last five years, averaging 157 new graduate students per Fall semester. The average annual growth rate in University graduate student population since 2016 is 4.9%. This is shown in Figure 11.

Figure 11. Graduate Student Enrollment¹³



The enrollment trend for graduate students from out of state, including foreign students, mirrors the overall graduate student trend over the last five years, adding an average of 104 students per year (8.9% average annual growth rate). As of the Spring 2022 semester, 39.8% of all graduate students are from out of state, after an eight-year peak of 40.7% in the Fall 2021 semester. The lowest ratio within the last eight years was 31.6% in the Spring 2015 semester. The increasing trend for graduate students from out of state has strong implications for housing needs, as every student will require accommodations while they attend the University.

¹³ UNR Decision Support.

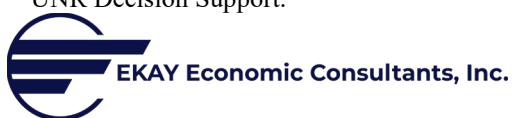
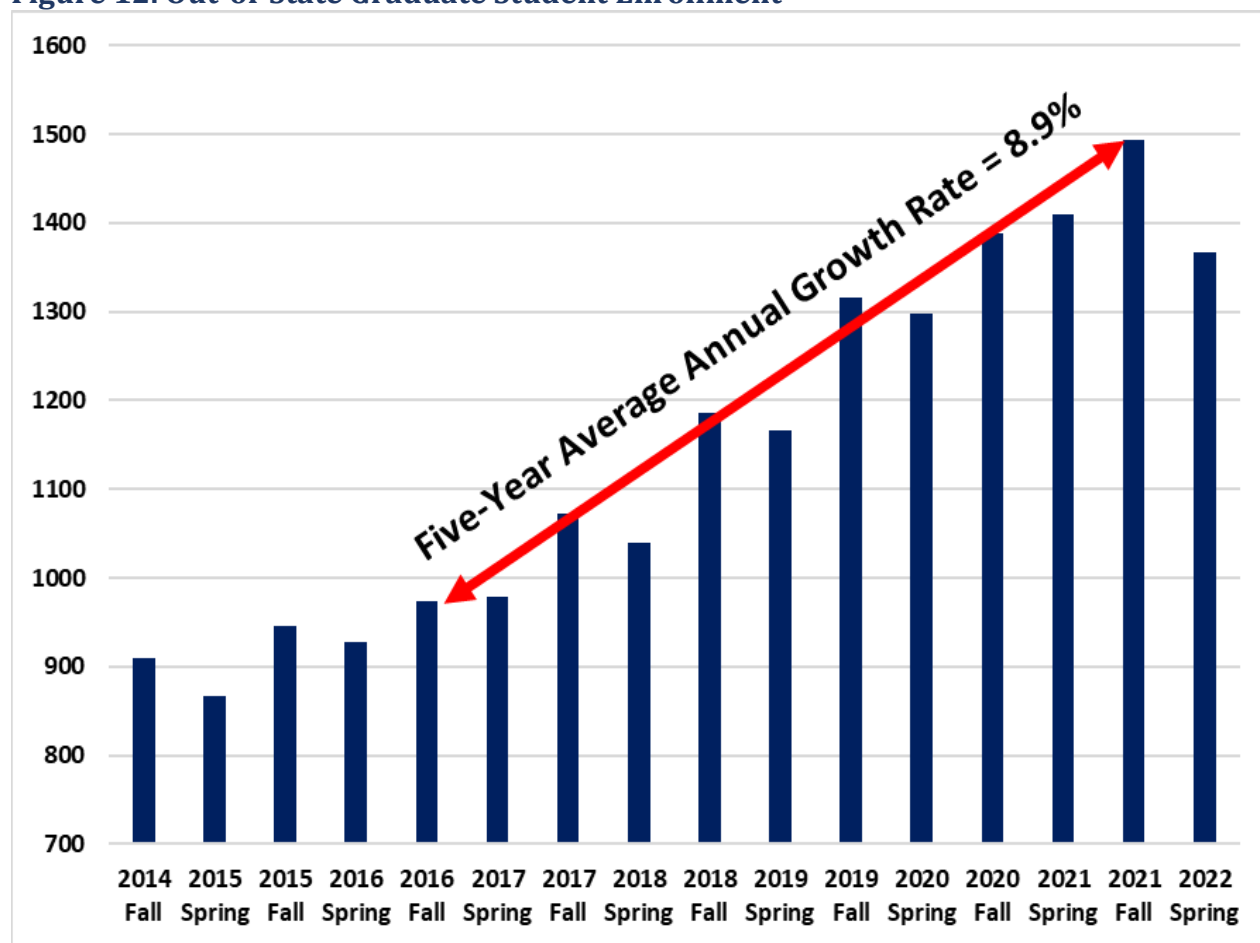


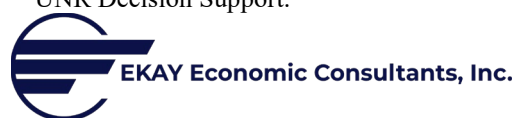
Figure 12. Out-of-State Graduate Student Enrollment¹⁴



Graduate student enrollment projections are not calculated in this report or provided by Decision Support. However, discussions with the Director of Graduate Student Operations found that for the Fall 2022 semester graduate student enrollment is expected to reach approximately 3,600 students based on returning students and new admissions. A graduate student population of 3,600 in the Fall 2022 semester would register flat growth compared to Fall 2021 (3,671 students), ending the average annual growth rate of 4.9% that occurred over the last five years.

Graduate Student Operations report that University of Nevada, Reno and universities across the nation are struggling with graduate student enrollment due to a variety of factors that include:

¹⁴ UNR Decision Support.



- Recent changes to online education policies that reduced availability of graduate-level online courses;
- Schedules for many graduate students prevent in-person attendance;
- COVID impacts on international student travel and visa allocations;
- Lack of graduate-level online courses for international students unable to travel;
- COVID impacts on in-person recruiting events (all recruiting events but one were held virtually during last school year);
- Stagnant level of funding for graduate-student recruiting and stipends;
- Lack of faculty for graduate-level instruction;
- Recent easing of admission requirements at California universities;
- *And increase in housing costs.*

Preferences for housing by graduate students is unknown, but options include UNR's Ponderosa Village, campus dormitories (Executive Director of Residential Life, Housing, & Food Services reports that they get about three of requests every year), off-campus student housing, renting an off-campus bedroom, market-rate apartments, home rentals, homes they own, and homes owned by relatives. The fundamental drivers for housing option preference, as with the general population, are affordability, amenities, location, and now privacy. Since the pandemic, student housing demand has shifted from shared rooms to private rooms while accepting the higher costs.

Recent application activity for the Ponderosa Village indicates income and affordability are increasingly driving demand for on-campus housing by graduate student, staff, and faculty. After recent trends showing almost equal amounts of applications compared to available rooms, there are currently 256 applications for 44 openings as of June 21, 2022. *The Executive Director of Residential Life, Housing, & Food Services expects this new trend of more applicants than available spaces to continue and possibly increase due to high housing costs across Reno-Sparks.* In the long-term, as inflation and rising interest rates continue to cool the economy, higher education enrollment and demand for student housing is expected to increase. International students will eventually return and a weakening job market will boost enrollment levels.

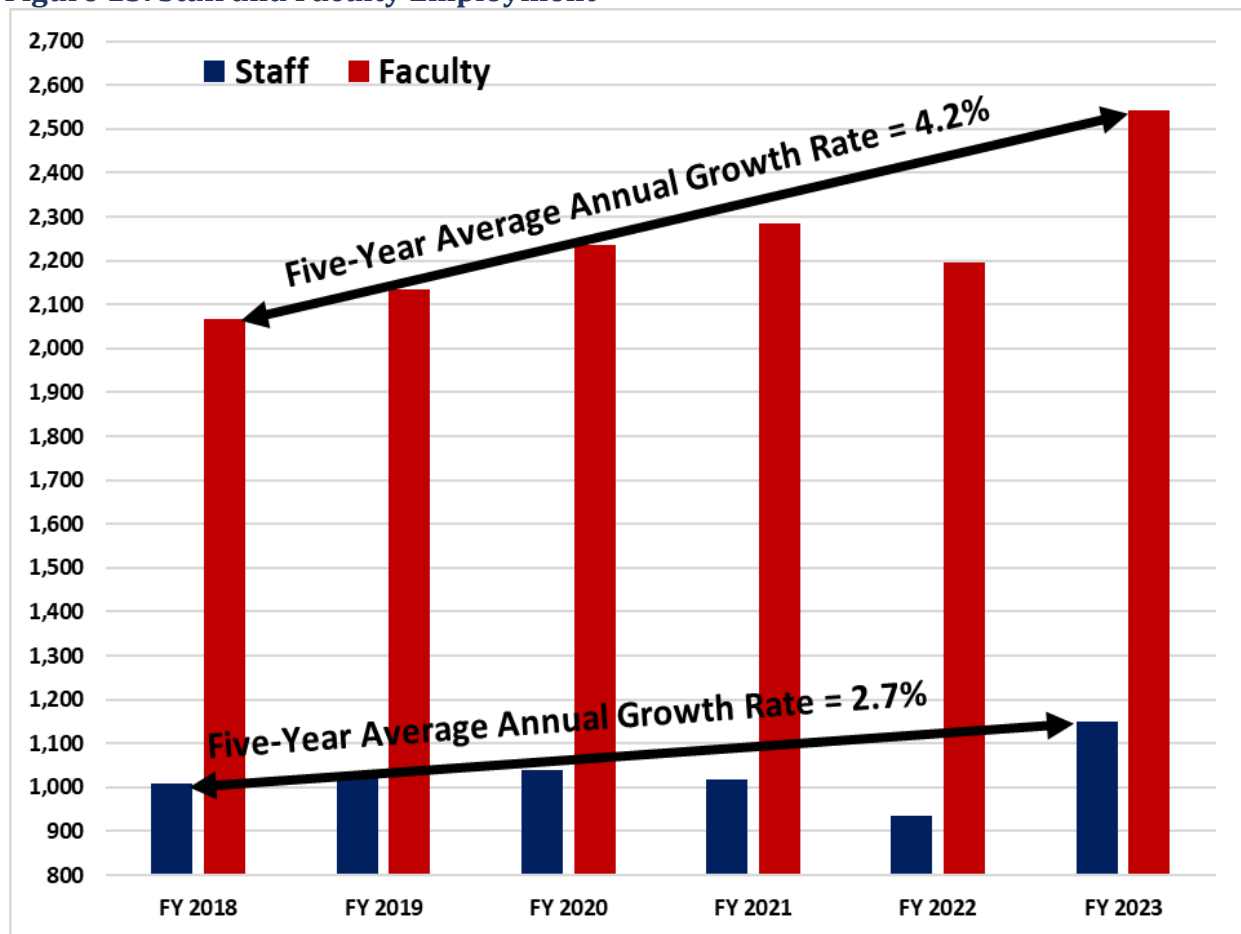


Most importantly, the availability of student housing affects enrollment. National Apartment Association reported in 2018 that 78% of higher education students confirm that the availability of high-quality student housing helped determine their choice of college or university.

STAFF AND FACULTY EMPLOYMENT

For the fiscal year 2022, the University employed 935 staff and 2,196 faculty positions. Both non-professional and professional positions saw a decline in fiscal year 2022, with staff down 82 positions and faculty down 90 positions compared to fiscal year 2021. Fiscal-year 2023 staffing projections provided by UNR Decision Support show a significant increase in total academic and administrative faculty (2,543) and classified staff (1,149), indicating a recovery from pandemic-driven staffing impacts. This is shown in Figure 13.

Figure 13. Staff and Faculty Employment



The recent decline in staff and faculty employment follows the decline in undergraduate and graduate student (discussed above) enrollment. According to the National Student Clearinghouse Research Center, national undergraduate enrollment decreased by 1.4 million students throughout the pandemic, with a further 4.7% decline in the Spring 2022 semester, year-over-year. College of Southern Nevada reports a 25% decline in enrollment between Fall 2019 and Spring 2022 semesters, and a 5.5% decrease between Fall 2021 and Spring 2022 semesters.

Projecting staff and faculty employment is very complicated due to uncertainty regarding future funding of the University. Enrollment-driven tuition provides some insight to expected revenues, but tuition does not entirely explain future funding for hiring staff and faculty. Discussions with Planning, Budget, & Analysis leadership suggest a conservative growth rate in positions of 1.5% per year in the short-term.

In addition to projected new employment growth totals, turnover in staff and faculty employment provides added housing demand. University Human Resources reports a staff employee turnover rate of 23% and a faculty turnover rate of 16% for fiscal year 2022. Staff turnover is up from 18% in fiscal year 2019 (pre-pandemic) and up from 10% for faculty. This is summarized in Table 10. This increase in staff and faculty turnover directly compounds the need for housing to assist in retaining and recruiting potential employees.

Table 10. Staff & Faculty Turnover Rates

Fiscal Year	Staff Turnover Rate	Faculty Turnover Rate
FY 2018	15%	10%
FY 2019	18%	10%
FY 2020	14%	10%
FY 2021	19%	13%
FY 2022	23%	16%

RENTAL HOUSING AFFORDABILITY FOR GRADUATE STUDENTS, STAFF, AND FACULTY

Using income schedules provided by the University of Nevada, Reno Human Resources representatives, our team estimated affordable rental rates given average incomes for the



Center For Regional Studies
College of Business
University of Nevada, Reno

University's existing graduate assistants, staff, and faculty. Home affordability is impacted by the number of workers in the family generating incomes. The analysis considers two income options, rental rate affordability based on income of a single student, staff, or faculty employee and affordability assuming the student, staff, or faculty person has a spouse or partner earning a median wage for Reno-Sparks MSA of \$63,639.¹⁵

Data regarding family sizes for graduate students and higher education employees is lacking. One report by Cornell University researchers found approximately 30% of graduate students were married or had a domestic partner when entering graduate school.¹⁶ A Graduate Housing Statistics report at Stanford University found 18.4% of graduate students who applied for student housing in 2020-21 were couples with and without children. In 2019-20 the total ratio of couples was slightly higher at 18.5% of total graduate students applying for student housing, and lower at 17.6% in 2018.¹⁷

A study by the Higher Education Research Institute at UCLA based on 2001 US Census data found 76% of all higher education faculty members were married, compared to 57% for the general population at the time. According to the US Census data, by 2019, 48% of general population were married, a significant decline over 2020 levels.

Using an affordability calculator created by the Center for Regional Studies at the University of Nevada, Reno and Ekay Economic Consultants, affordable rental rates are estimated using housing costs (monthly rent, utilities, and home insurance) as percent of total income (30%). Based on this calculator, affordable monthly rental rates are estimated for graduate assistants, staff, and faculty by income range and workers/family assumptions. This is summarized in Table 11 for graduate students and Table 12 for staff and faculty.

¹⁵ Reno-Sparks MSA, Quarterly Census of Employment and Wages, data for 2021, Nevada Department of Employment, Training, and Rehabilitation.

¹⁶ Price, Joseph. "Does a Spouse Slow You Down?: Marriage and Graduate Student Outcomes." Cornell University. October 2006.

¹⁷ Graduate Housing Statistics, Stanford University Residential & Dining Enterprises. <https://rde.stanford.edu/studenthousing/graduate-statistics>

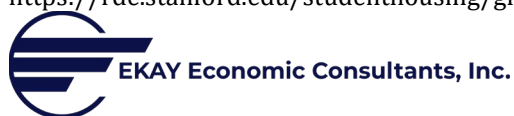


Table 11. Affordable Monthly Rental Rates for Graduate Students by Top Range Salary

Salary Range	# of Students	Top Salary Range		Monthly Rental Rate	
		Student Only	Student w/ Spouse	Student Only	Student w/ Spouse
less than \$25,000	1,038	\$ 25,000	\$ 88,639	\$ 560	\$ 2,150
\$25,000 - \$50,000	177	50,000	113,639	1,175	2,775

Graduate student employment participation and incomes are unknown, however, the number of graduate assistants by wage range was obtained by UNR's Human Resources. The overwhelming majority of graduate assistants are paid less than \$25,000 per year. When 30% of this income is applied to housing, an individual can only afford a maximum rent of \$560 per month. The least amount of asking rent among all product options, as discussed in the supply section, is currently \$649 for a six-bed/five-bath space at Wolf Run Vintage. For University-provided housing, the least expensive rate is \$737 for shared two-bedroom unit in Ponderosa Village.

However, if a graduate assistant at this wage level lives with a worker earning the Reno-Sparks MSA average wage (\$63,639), rent affordability significantly increases to \$2,150. When graduate assistantship wages increase to \$50,000, individuals can afford rents up to \$1,175 using the same affordability parameters. Only 15% of graduate assistants receive wages between \$25,000 and \$50,000 per year.

Table 12. Affordable Monthly Rental Rates for Staff and Faculty by Top Range Salary

Salary Range	# of Employees	Top Salary Range		Monthly Rental Rate	
		Employee Only	Employee w/ Spouse	Employee Only	Employee w/ Spouse
Staff					
less than \$25,000	18	\$ 25,000	\$ 88,639	\$ 560	\$ 2,150
\$25,000 - \$50,000	637	50,000	113,639	1,175	2,775
\$50,000 to \$75,000	254	75,000	138,639	1,800	3,400
\$75,000 to \$100,000	23	100,000	163,639	2,425	4,025
\$100,000 to \$150,000	3	150,000	213,639	3,700	5,000+
Faculty					
less than \$25,000	7	\$ 25,000	\$ 88,639	\$ 560	\$ 2,150
\$25,000 - \$50,000	414	50,000	113,639	1,175	2,775
\$50,000 to \$75,000	895	75,000	138,639	1,800	3,400
\$75,000 to \$100,000	485	100,000	163,639	2,425	4,025
\$100,000 to \$150,000	274	150,000	213,639	3,700	5,000+
\$150,000 to \$200,000	83	200,000	263,639	4,925	5,000+
Over \$200,000	38	300,000	363,639	5,000+	5,000+

Employment and salary levels obtained from UNR's Human Resources provide additional insight into affordability for staff and faculty. The majority of staff currently earn between \$25,000 and \$50,000 per year, triggering a rent ceiling of \$1,175 per month for single-earner households. Almost one in five faculty members also earn a salary under \$50,000 per year and are mostly limited to studio product as a single earner. As of first quarter 2022 the average market rate for a studio floor plan in Reno-Sparks is \$1,150 per month. However, the vacancy rate for studios is currently 3.8% and rising mortgage rates are expected to increase demand for apartments.

A recent canvass of Zillow.com for single-family home rentals within two miles of the University found only seven listings for one-bedroom homes with an average rent of \$1,228. The range for one-bedroom homes is between \$850 per month and \$1,750 per month. The majority of single-family rental listings within two miles of the University (17 listings) are for two-bedroom homes with an average rent of \$1,837 per month. As with apartments, single-earner staff and faculty with salaries less than \$50,000 will struggle to find and afford home rentals.

IV. CONCLUSION

HOUSING AND ECONOMIC OVERVIEW

The Reno-Sparks MSA was negatively impacted by the Great Recession, losing population and employment. Post-recession, both indicators showed significant levels of growth prior to the economic shutdown as the pandemic spread into the U.S. Economically, the region has recovered strongly from the pandemic, with strong levels of employment and population growth, fueled by high-paying wages in diversified employment sectors that are driven by demand for electric vehicles and supply-chain industries.

Impacting the region's growth is the lack of availability of housing while demand for housing has increased, leading to significant growth in home prices. Housing costs were previously attainable by workforce households, supported by rapidly growing wages, but recent increases in mortgage rates is now dampening affordability and demand, shifting purchases of homes to rental product that will further pressure rent rates.

RENTAL HOUSING SUPPLY

Only one University-provided housing option is available for graduate students, staff, and faculty and their dependents. The project is currently at full capacity, with a significant wait list. University officials expect the wait list to be expand in the future as enrollment and staffing recovers and rocketing housing prices put pressure on students, staff, and faculty to find affordable housing. Current leases for the Ponderosa Village start at \$737 per month for a shared two-bedroom unit which is significantly less than a market rate apartment of similar quality and location. The availability of university-provided housing is also an important tool for retaining and recruiting students and employees, especially those in life transition and that prefer to live in proximity to the University.

Graduate students also have the option of multiple existing and forthcoming privately-owned student housing projects in the area. The trend towards sacrificing costs for privacy has created almost no vacancy in studio and one-bedroom floor plans in the student housing



off-campus. While the larger “pod” units are available and cheaper on a per-bed basis, their occupancy rates struggle the most. Lease rates for off-campus student housing start at \$649 per month for a six-bed/five-bath floor plan (available) and reach \$1,725 per month for a studio (sold out), as of June 2022.

Numerous apartment rentals are available in the region, with a number of new apartment projects expected to be added in the near future. This provides options for graduate students, staff, and faculty, but it is market-rate housing. Moreover, vacancy for these units is extremely low and rents are increasing at high rates. In addition, much of the existing product near the University is dated. Average lease rates for market-rate apartments proximate to the University is \$1,654 per month for apartments west of the University and \$1,426 per month for apartments east of the University, as of first quarter 2022.

Single-family home rentals are also an option for housing, but this product is the most expensive and least available. As of June 17, 2022, there were only 43 single-family homes within two miles of the University listed for rent on Zillow.com, ranging from an average of \$1,228 per month for a one-bedroom (seven listed) to \$3,600 per month for a six bedroom (one listed). There were 17 listings for two-bedroom homes with an average rent of \$1,837 per month.

GRADUATE STUDENT, STAFF, AND FACULTY HOUSING DEMAND

Pandemic-related issues, including vaccine requirements, changes to remote-learning policies, impacts to tuition revenues, and early retirements, have disrupted graduate-student enrollment and staff/faculty employment growth trends, especially in the 2021-2022 school year. Annual growth of graduate students averaged nearly 5% between Fall 2016 and Fall 2021 semesters before registering a significant drop in the Spring 2022 semester. Graduate School Operations reports several reasons for the decline, including COVID impacts in the short-term, but now with housing costs over the long-term. Another reverse in recent graduate-student trends is the number of applications for graduate-student housing. After a period of relative balance between applications and available spaces, there are 256 applications for 44 spaces at Ponderosa Village (June 21, 2022). The Executive

Director of Residential Life, Housing, & Food Services surmises that demand exceeding supply will be the new normal due to increasingly high cost of housing in Reno-Sparks.

Staff and faculty employment also witnessed declines in the 2021-2022 school year, largely due to pandemic-related issues, but the increasing number of the Baby Boomers entering retirement also plays a factor. Recent turnover rates of staff (23%) and faculty (16%) in fiscal year 2022 support this trend. Replacing exiting positions are sure to be challenged by regional housing costs.

The overwhelming number of graduate assistantships (85% earn up to \$25,000 per year) can only afford rents of \$560 per month within single-earner households that allocate 30% of income to housing costs. A little more than 70% of staff earn a maximum salary of \$50,000 per year, which can afford \$1,175 per month in rent at 30% of income. This affordability limit is also reached by 19% of faculty salaries. As a result, 34% of staff and faculty cannot afford average rents in neighborhoods proximate to the University or across Reno-Sparks (\$1,633 per month in first quarter 2022) after allocating HUD-defined limit of income amounts used for housing costs (30%). In 2020 the median gross rent as a percent of income in the Reno-Sparks MSA was 28.8%.

As the University continues to navigate pandemic-related policies while also being an important stakeholder to economic and demographic growth, both enrollment and staff and faculty employment is expected to increase. However, as the region recovers from the pandemic impacts, University objectives are now affected by inflation (short-term) and cost of housing (long-term). Inflation is largely outside the University's control, but to retain and recruit staff and faculty, housing cost barriers must be addressed.

LIVE WORK PLAY

01

RENO CITY CENTER RIDGELINE HOUSING PARTNERSHIP WITH THE UNIVERSITY OF NEVADA, RENO



RIDGELINE
TOWER



University of Nevada, Reno



ARCH

TOWER



UNITS

85 - STUDIOS

133 - 1 BEDROOMS / 1.5 BATHS

19 - 2 BEDROOMS / 2 BATHS



AMENITIES

RENO CITY CENTER OFFERS A VAST MULTITUDE OF SERVICE AND PROPERTY AMENITIES, DESIGN TO ELEVATE THE LIFESTYLE OF RESIDENTS.



PROPERTY MANAGEMENT

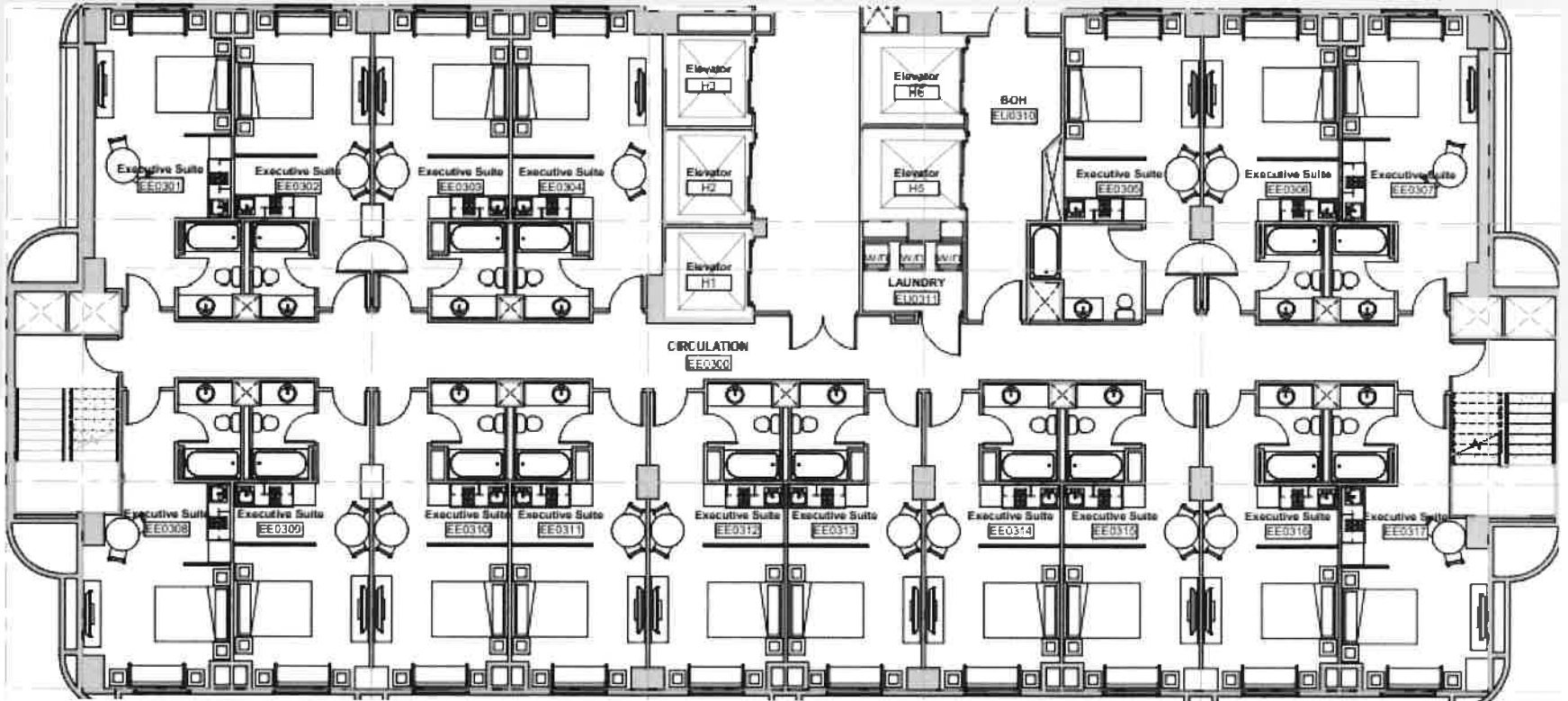
PROFESSIONAL PROPERTY MANAGEMENT SERVICES INCLUDED TO ASSIST WITH DAILY PROPERTY OPERATIONS.

ARCH

TOWER

FLOORS 3-7 - STUDIO RESIDENCES

LIVE WORK PLAY



General Layout is Subject to Changes

ARCH

TOWER

AMENITIES

- STUDIO, ONE & TWO-BEDROOM APARTMENTS
- ON LOCATION RESTAURANTS
- STARBUCKS
- 5TH FLOOR EXCLUSIVE RESIDENT SUN DECK
- FITNESS WING
- BUSINESS CENTER
- POOL / LOUNGE AREA
- CONCIERGE SERVICES
- BIKE STORAGE AND REPAIR AREA
- ON-SITE SELF STORAGE
- ON-SITE PARKING
- MASSAGE ROOM
- SALON SERVICES
- 1 GB OF DATA PER UNIT (CAN UPGRADE)
- PET DAYCARE AND GROOMING
- PROFESSIONAL PROPERTY MANAGEMENT
- 24 HOUR EMERGENCY MAINTENANCE
- SMART HOME THERMOSTAT
- SMART DOOR LOCK SYSTEM



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RIDGELINE
TOWER



ARCH
TOWER

**TESLA PROGRAM
EXCLUSIVE RIDESHARE
PROGRAM**



**PET FRIENDLY
URBAN APARTMENT
COMMUNITY IN
DOWNTOWN RENO**

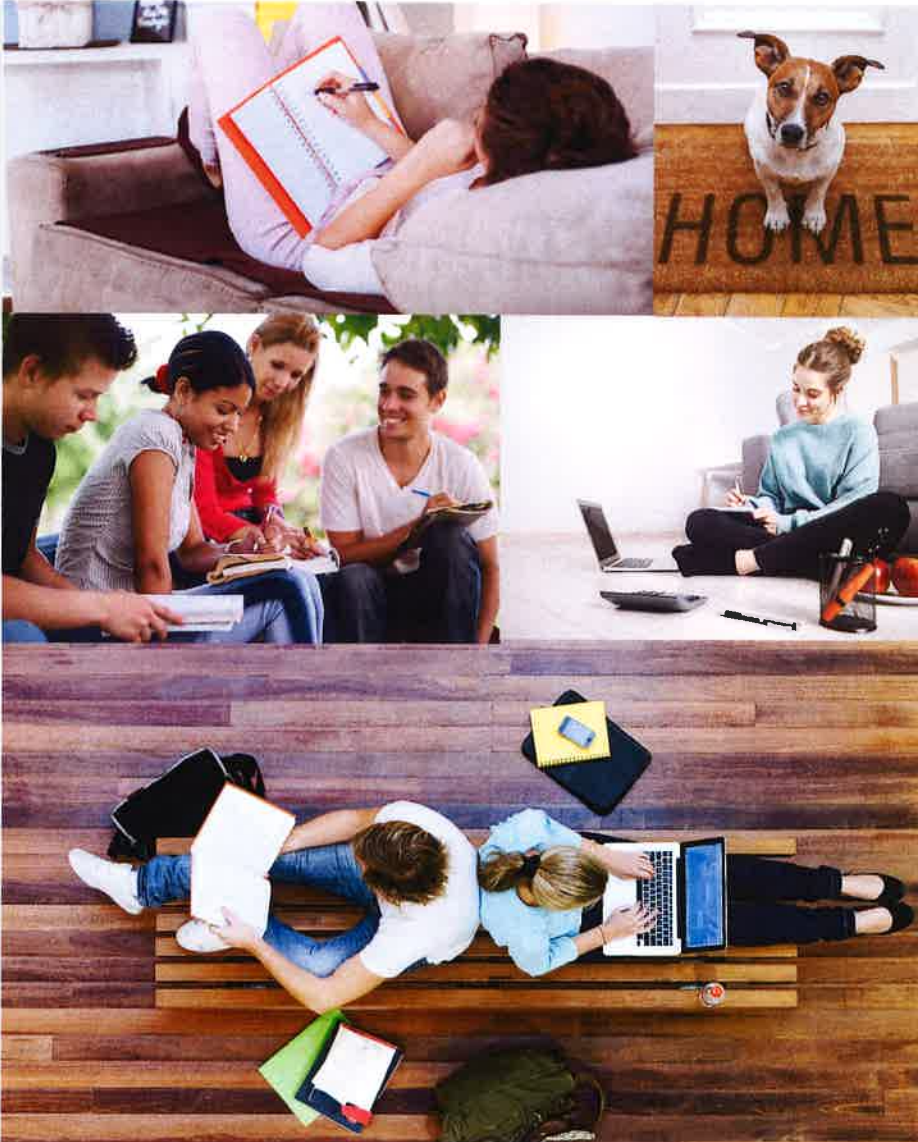


**5TH FLOOR RESIDENT
DECK WILL INCLUDE A
LUXURIOUS POOL AND
DECK**



LIVE WORK PLAY





IDEAL STUDY ENVIRONMENT

- COLLABORATIVE STUDY SPACE
- STARBUCKS ON LOCATION
- PLAZA GARDEN
- ROOFTOP TERRACE
- RESIDENTIAL COMMONS
- WI-FI LOUNGE SPACE
- PROFESSIONAL MANAGEMENT TEAM
- CONDUCTIVE WORKSPACE

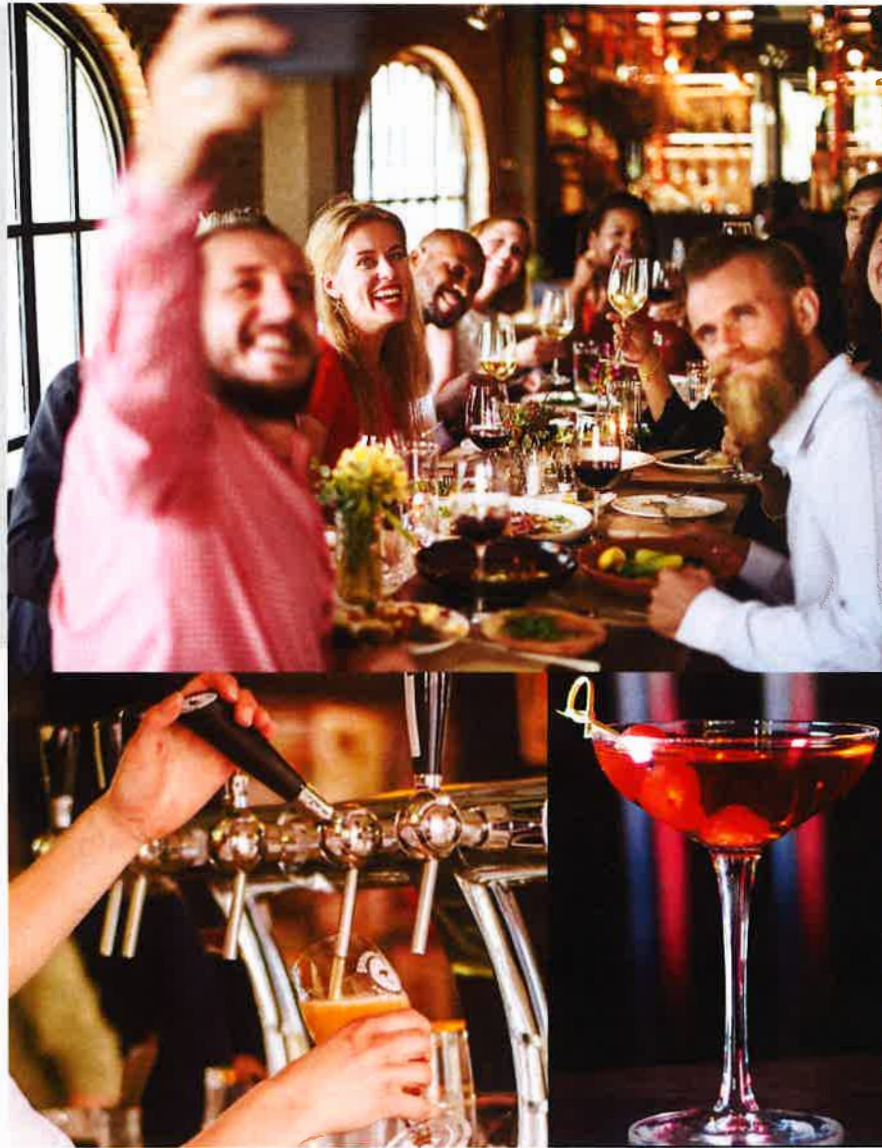


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LIVE WORK PLAY

STARBUCKS IS LOCATED IN THE RENO CITY CENTER BUILDING AND IS
LOCATED IN THE ARCH TOWER





RENO CITY CENTER ENTERTAINMENT

- RESTAURANTS
- BARS
- AXE THROWING
- ESCAPE ROOM EXPERIENCES
- PLAZA EVENTS
- LOCAL LIVE ENTERTAINMENT
- LIVE MUSIC
- WEEKLY EVENTS
- FINE DINING





RESIDENTS WILL HAVE ACCESS TO GROCERY STORES IN THE RENO CITY CENTER BUILDING.

RENO CITY CENTER EXTERIOR ELEVATIONS



ARCH

TOWER

Arch Tower and Plaza



RENO CITY CENTER EXTERIOR ELEVATIONS



RIDGELINE
TOWER



ARCH
TOWER

LIVE WORK PLAY



RENO CITY CENTER EXTERIOR ELEVATIONS

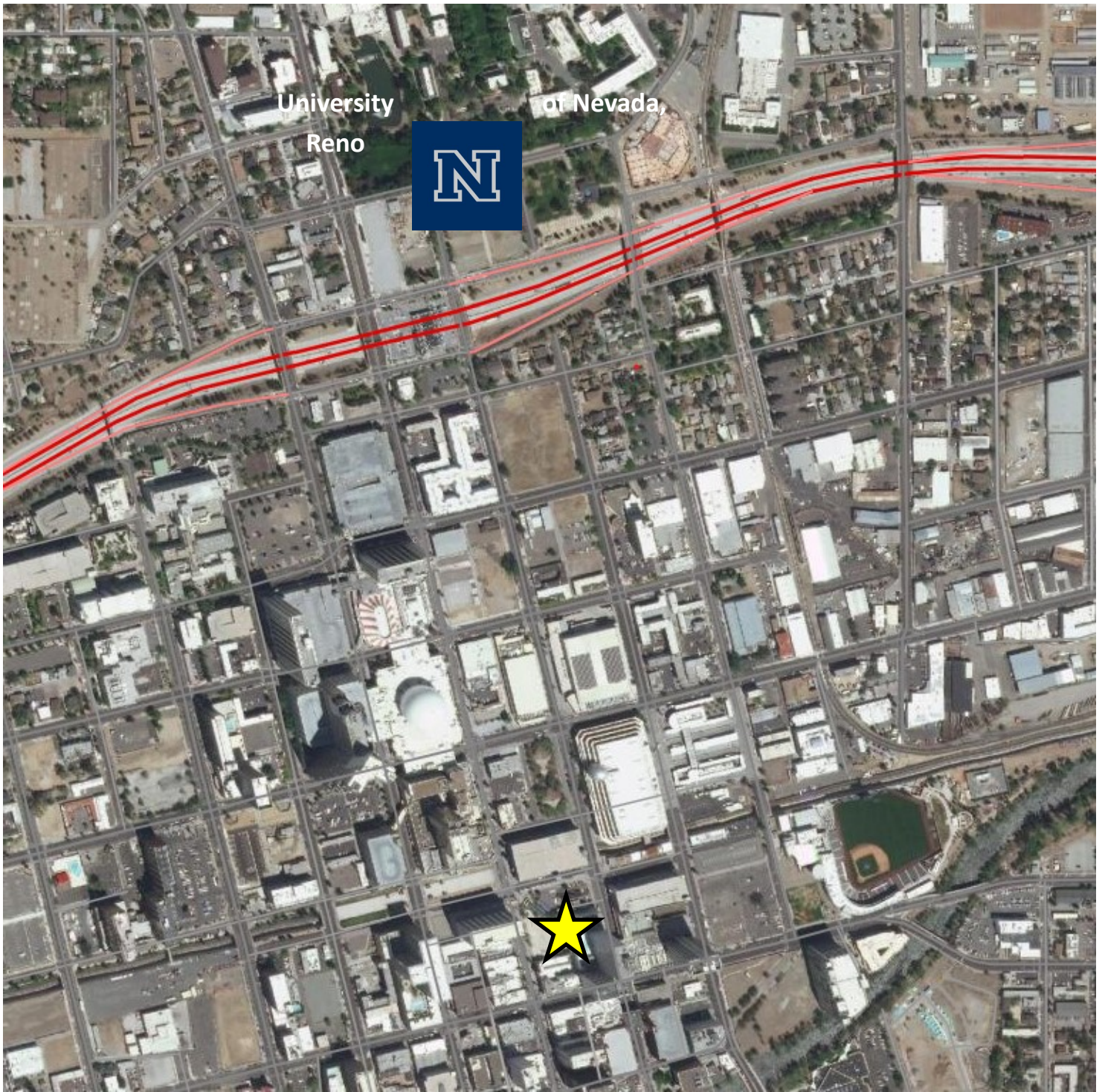


RIDGELINE
TOWER



LIVE WORK PLAY

Exhibit 3



Yellow Star shows the proximity to the University of Nevada, Reno Campus



University of Nevada, Reno

July 29th, 2022

President Brian Sandoval
University of Nevada, Reno
1664 North Virginia St,
Reno, NV 89557

Dear President Sandoval,

It is my pleasure to write a letter in support of the partnership between the University of Nevada, Reno, and the Reno City Center to provide housing for graduate students attending the University of Nevada, Reno.

With rental prices for a single studio apartment averaging \$1400/month in the Reno area, many students struggle to attend graduate school while paying high rental costs. Through this partnership, the University has secured eighty-five high-quality housing units close to campus at a reasonable \$995/month rate. As a result, Ph.D. students with stipends will save upwards of \$400 per month by living there, making graduate education more affordable in the state of Nevada while helping bolster the local Reno economy. Graduate students will be able to focus more on their studies and research instead of worrying if they will be able to pay rent this month. These students will no longer have to choose to pay for rent or groceries each month. Through these combined efforts, you have provided a more stable life for graduate students, and we will be able to help elevate the R1 Carnegie status of the University of Nevada, Reno.

I fully support the efforts that you and the upper administration have made in securing a partnership between Reno City Center and the University to provide a realistic solution to this crisis that students face.

Today, I can't help but reflect on what we say at many of our athletics games, "The Strength of the Wolf is the Pack, and the Strength of the Pack is the Wolf"; through this partnership, you've helped strengthen the many wolves and, as a result, have strengthened the Pack!

Sincerely,

Matthew Hawn
Graduate Student Association (GSA) President 2021
Go Pack!