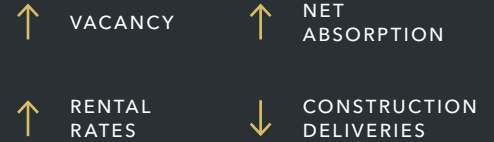


MARKET TRENDS

RENO MULTIFAMILY



Year-Over-Year Change

Many multifamily experts are seeing palpable signs of recovery for 2025. The Western Real Estate Business reported “Multifamily real estate is on the rebound after a prolonged period of uncertainty.”

“The sector had undergone significant adjustments over the past two years, with investors cautiously holding off during the turbulent period. Recent reports have confirmed that the multifamily market turned a corner by mid-2024 signaling the start of a recovery phase.” To that end, the Reno-Sparks multifamily market fared better in Q4 than Q3, with seven properties trading verses six respectively, for a total sales volume of \$132.2M (Q4) verses \$10.8M (Q3). The largest sale of the quarter was 6155 Plumas St (436 units) sold for \$93.7M (\$215,023 per unit), with a 5.00% cap rate.

On the list side, 20 properties are currently on market with an average price per door of \$205,268 with cap rates averaging around 5.60%. Very few deals are trading due to the cost of equity capital averaging between 6.00% and 6.25%. Mortgage rates may decline this year, but not by much. U.S News and World Report commented: “analysts expect the 30-year fixed rate to stay in the mid-6% range throughout 2025 and 2026, although the forecast is far from guaranteed.

The January Housing Forecast from Fannie Mae puts the average 30-year fixed rate at 6.7% in the beginning of 2025, declining to 6.5% in the first quarter of 2026.” Fannie Mae economists say that higher mortgage rates this year are likely to keep home sales constrained at or near their lowest levels since 1995.

Apartment vacancies remain low; of the properties that Johnson Perkins-Griffin tracks, the overall vacancy rate increased to 3.16% (+40 bps) while average rents decreased slightly from \$1,668 in Q3 to \$1,656 in Q4. Other properties (10-80 units) we are tracking would show the vacancy number much higher, between 7% and 8%.

According to JPG, “Although the overall vacancy rate for the entire market has remained low, it is recognized that there are currently several new projects that are taking a prolonged amount of time to reach stabilization at 90% occupancy. For several of these projects, construction is complete, and occupancy is nearing or above 80%; as these projects are absorbed a shift in the overall market vacancy may be observed. Just over 2,400± apartment units are currently under construction in the Reno-Sparks market, and just over 2,800± apartment units are in the planning stages.”

The Reno multifamily market remains strong with increased rents, sustained occupancy and buyer interest. With strong market fundamentals and continued demand, 2025 is poised to be a much brighter year for investment real estate.

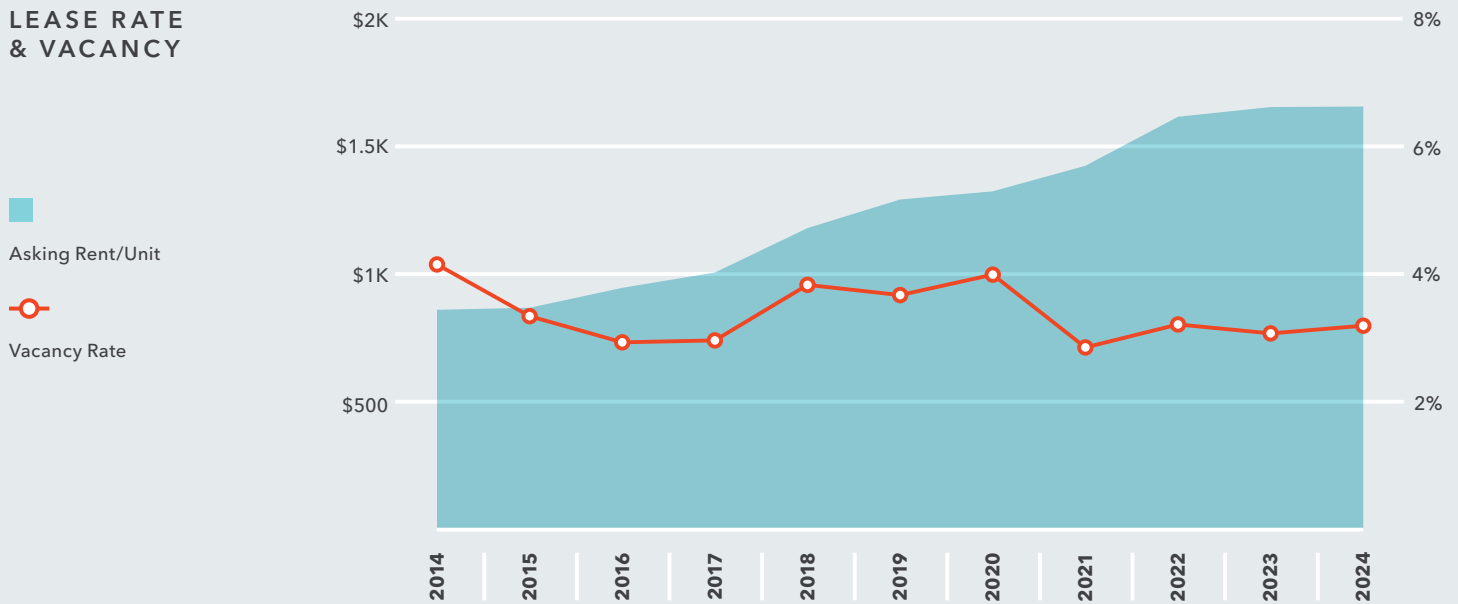
MARKET BREAKDOWN

| | 4Q24 | 3Q24 | 4Q23 | Annual % Change |
|----------------------------|-----------|-----------|-----------|-----------------|
| New Construction (Units) | 290 | 592 | 300 | -3.33% |
| Under Construction (Units) | 2,713 | 2,833 | 3,684 | -26.36% |
| Vacancy Rate | 3.16% | 2.76% | 3.09% | 2.27% |
| Average Asking Rents | \$1,656 | \$1,668 | \$1,612 | 2.73% |
| Average Sales Price (Unit) | \$196,427 | \$187,345 | \$208,690 | -5.88% |
| Cap Rates | 5.5% | 7.3% | 5.1% | 7.84% |
| Net Absorption (Units) | 390 | 513 | 319 | 22.26% |

AVERAGE RENT

| Unit Size | 4Q24 | 3Q24 | 4Q23 |
|-----------|---------|---------|---------|
| Studio | \$1,218 | \$1,197 | \$1,193 |
| 1 Bedroom | \$1,467 | \$1,473 | \$1,433 |
| 2 Bedroom | \$1,673 | \$1,680 | \$1,624 |
| 3 Bedroom | \$2,262 | \$2,240 | \$2,182 |

LEASE RATE & VACANCY

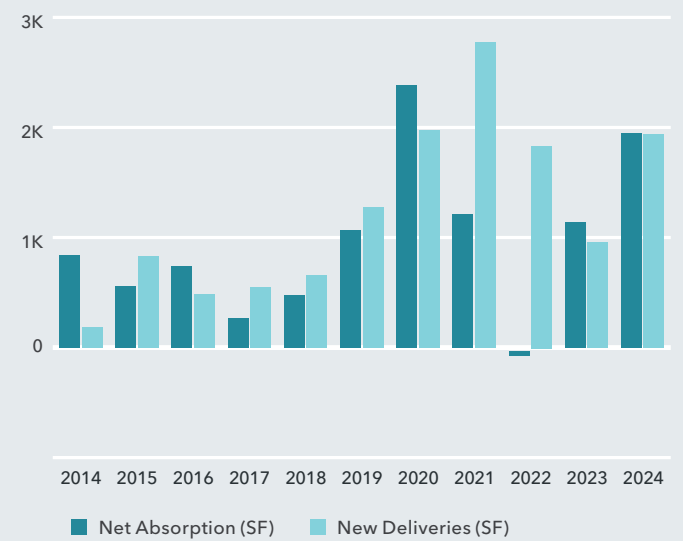


BIGGEST SALE OF THE QUARTER

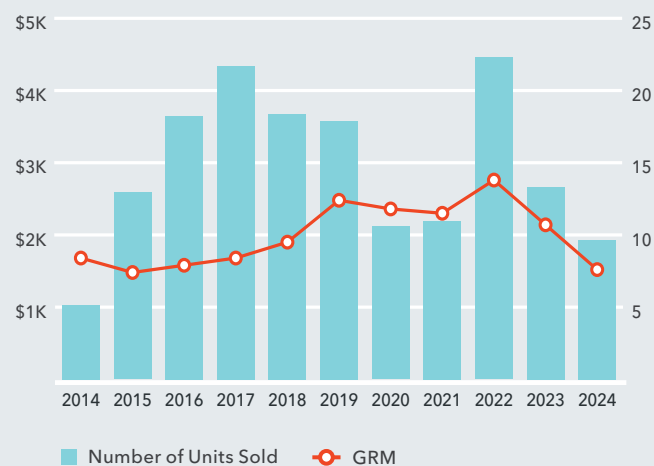
Lakeridge Living, Reno, NV



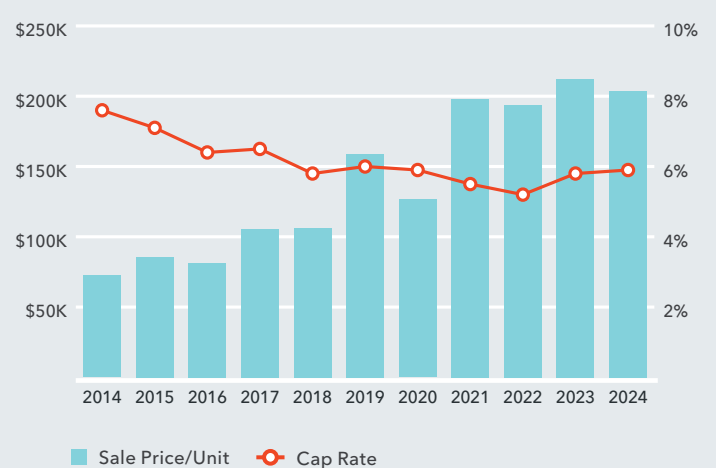
NET ABSORPTION & NEW DELIVERIES



NUMBER OF UNITS SOLD & GRM

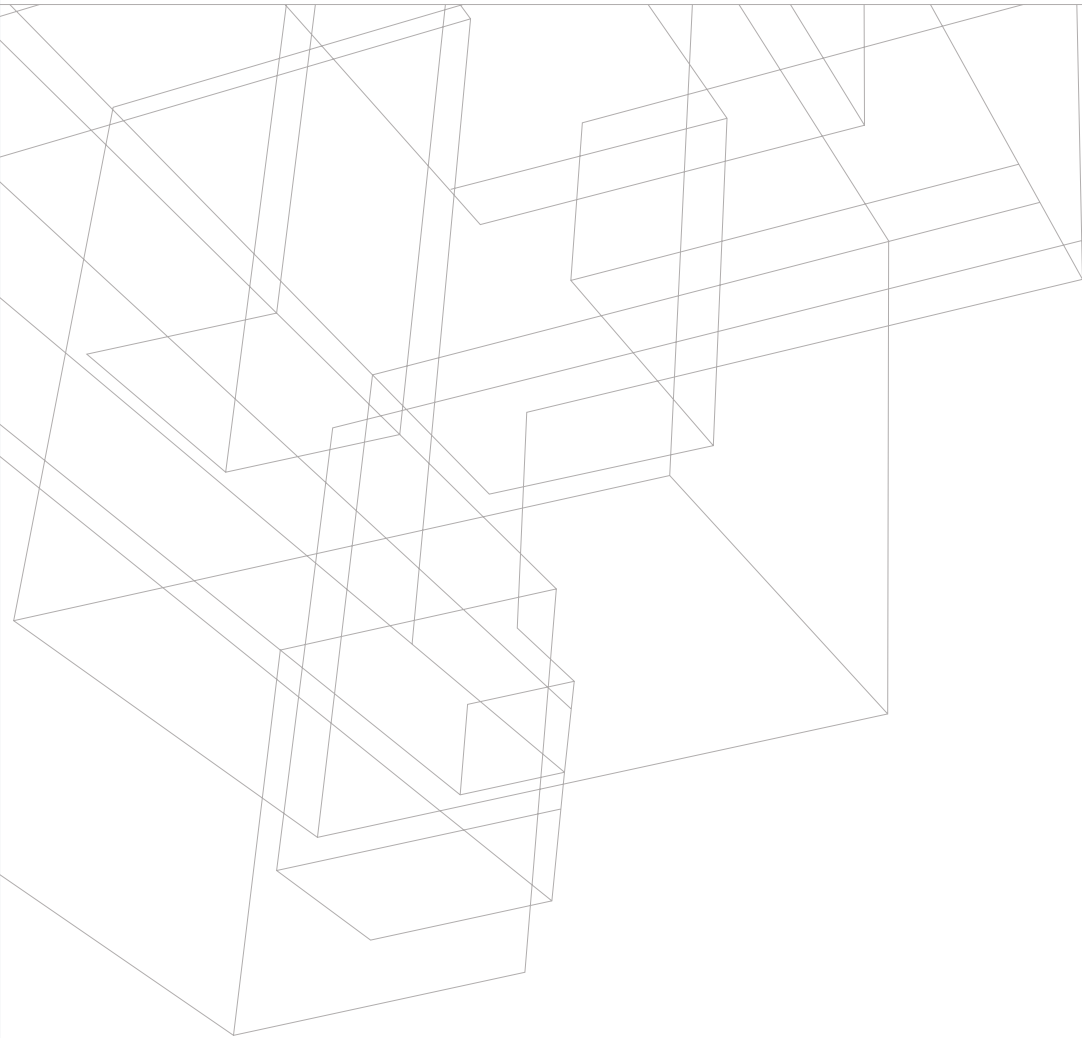


AVERAGE SALES PRICE/UNIT & CAP RATE



SUBMARKET STATISTICS

| Submarket | Total Units | 4Q24 Direct Vacancy Rates | 3Q24 Direct Vacancy Rates | 4Q24 Average Rates | 3Q24 Average Rates |
|--------------------------|-------------|---------------------------|---------------------------|--------------------|--------------------|
| Downtown | 4,234 | 5.47% | 4.12% | \$1,620 | \$1,619 |
| Airport | 8,717 | 3.32% | 3.57% | \$1,592 | \$1,540 |
| Close-In Southwest | 4,398 | 2.82% | 2.41% | \$1,384 | \$1,335 |
| Southwest Reno | 1,872 | 3.47% | 3.60% | \$1,738 | \$1,746 |
| Northwest Reno | 7,674 | 3.05% | 2.82% | \$1,726 | \$1,739 |
| Northeast Reno | 3,550 | 2.79% | 1.66% | \$1,416 | \$1,395 |
| Southeast Reno | 5,749 | 3.04% | 2.61% | \$1,750 | \$1,770 |
| West Sparks/North Valley | 9,764 | 2.81% | 2.27% | \$1,484 | \$1,515 |
| East Sparks | 6,921 | 3.17% | 3.07% | \$1,762 | \$1,796 |
| Reno-Sparks Total Market | 52,879 | 3.16% | 2.76% | \$1,656 | \$1,668 |



SIGNIFICANT SALE TRANSACTIONS

| Property | Submarket | # of Units | Sale Price | Price/Unit | Buyer | Seller |
|------------------------|------------------|------------|--------------|------------|-----------------------|--------------------------|
| Lakeridge Living | Outer South Reno | 436 | \$93,750,000 | \$215,023 | MG Properties | Benedict Canyon Equities |
| The Mod at Riverwalk 2 | Riverwalk | 69 | \$16,700,000 | \$242,029 | 3D Investments | Eri Riviera 2 LLC |
| The Mod Midtown | Midtown Reno | 8 | \$2,590,000 | \$323,750 | 500 Stoker Avenue LLC | ECI Plumas LLC |

SIGNIFICANT UNDER CONSTRUCTION

| Property | Address | Submarket | # of Units | Owner | Expected Delivery Date |
|-----------------------|--------------------------|----------------|------------|-------------------------------------|------------------------|
| Seasons at Stonebrook | 7755 Tierra Del Sol Pkwy | East Sparks | 396 | Mountain States Property Management | 1Q 2025 |
| Ballpark | 201 Evans Ave | Northeast Reno | 369 | Pacific Development | 1Q 2025 |
| Halcyon | 825 East Patriot Blvd | Southeast Reno | 330 | SyWest Development | 1Q 2025 |

RECENT COMPLETIONS

| Property | Address | Submarket | # of Units | Owner | Delivery Date |
|-------------|----------------------|-------------------|------------|--------------|---------------|
| Copper Mesa | 205 Silver Lake Road | W Sparks/N Valley | 290 | Inland Group | November 2024 |

Data Source: EDD, CoStar, Johnson Perkins- Griffin



Kidder Mathews is the largest fully independent commercial real estate firm in the Western U.S., with over 900 real estate professionals and staff in 19 offices in Washington, Oregon, California, Idaho, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, asset services, consulting, and debt & equity finance services for all property types.

The information in this report was composed by the Kidder Mathews Research Group.

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|---------------------------------|-----------------------------------------------------|-------------------------------------------|---------------------------------------|
| COMMERCIAL BROKERAGE | <i>\$9B</i> AVERAGE ANNUAL TRANSACTION VOLUME | <i>26.2M</i> ANNUAL SALES SF | <i>36.7M</i> ANNUAL LEASING SF |
| ASSET SERVICES | <i>58M SF</i> MANAGEMENT PORTFOLIO SIZE | <i>850+</i> ASSETS UNDER MANAGEMENT | <i>250+</i> CLIENTS SERVED |
| VALUATION ADVISORY | <i>2,400</i> AVERAGE ANNUAL ASSIGNMENTS | <i>39</i> TOTAL APPRAISERS | <i>24</i> WITH MAI DESIGNATIONS |