

APARTMENT RENT AND VACANCY SURVEY BELOW MARKET RATE ADDENDUM

Results of the 2017 Apartment Rent and Vacancy Survey can be analyzed for below market rate housing. 1,006 below market rate apartment rental units were surveyed. 359 senior-only below market rate apartment units are not included in this survey, however, comparisons are made between non-senior only below market rate units and senior-only below market rate units at the end of this addendum. 180 new non-senior only, below market rate apartment rental units were added to the housing stock since the 2016 survey.

Of the 1,006 below market rate non-senior only rental apartment units included in this survey, 955 responded to the survey. Of the 955 units that reported, 7 were reported to be vacant and available for rent and 3 were reported to be vacant but unavailable for renting. The 3 unavailable units are not included in the vacancy rate.

Vacancy:

- The overall below market rate vacancy rate is 0.7%.
- The vacancy rate for one-bedroom units is 1.0%.
- The vacancy rate for two-bedroom units is 0.8%.
- The vacancy rate for three-bedroom units is 0.0%.
- The vacancy rate for four-bedroom units is 0.0%.

	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	All Bedroom Sizes
Total Available Units Surveyed	199	615	124	17	955
Vacant/Available for Rent	2	5	0	0	7
Vacancy Rate	1.0%	0.8%	0.0%	0.0%	0.7%

The chart below shows the below market rate non-senior only vacancy as compared to the overall market vacancy rate.

	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	All Bedroom Sizes
Below Market Rate Vacancy Rate	1.0%	0.8%	0.0%	0.0%	0.7%
Overall Market Vacancy Rate	1.8%	1.5%	2.0%	N/A	1.6%

The below market rate non-senior vacancy rate has decreased slightly since the last survey period in 2016.

	OCT '16	OCT '17
One-bedroom vacancy rate	0.9%	1.0%
Two-bedroom vacancy rate	2.2%	0.8%
Three-bedroom vacancy rate	0.0%	0.0%
Four-bedroom vacancy rate	0.0%	0.0%
Overall vacancy rate	1.7%	0.7%

The attached tables provide results of this 2017 survey, as well as historical vacancy data:

- Table 1 Vacancy Survey Results by Bedroom Size
- Table 2 Overall Vacancy Rate
- Table 3 Historical Vacancy Rates – October 1, 2014 through October 1, 2017

**TABLE 1
VACANCY SURVEY RESULTS BY BEDROOM SIZE**

ONE BEDROOM	<u>10/14</u>	<u>10/15</u>	<u>10/16</u>	<u>10/17</u>
Total Units Reported	99	105	117	199
Vacant/Available for Rent	1	1	1	2
Vacancy	1.0%	1.0%	0.9%	1.0%
Vacant/Not Available	0	2	2	1
TWO BEDROOM	<u>10/14</u>	<u>10/15</u>	<u>10/16</u>	<u>10/17</u>
Total Units Reported	460	518	539	615
Vacant/Available for Rent	9	4	12	5
Vacancy	2.0%	0.8%	2.2%	0.8%
Vacant/Not Available	0	5	3	2
THREE BEDROOM	<u>10/14</u>	<u>10/15</u>	<u>10/16</u>	<u>10/17</u>
Total Units Reported	120	120	108	124
Vacant/Available for Rent	2	1	0	0
Vacancy	1.7%	0.8%	0.0%	0.0%
Vacant/Not Available	1	1	0	0
FOUR BEDROOM	<u>10/14</u>	<u>10/15</u>	<u>10/16</u>	<u>10/17</u>
Total Units Reported	16	16	17	17
Vacant/Available for Rent	0	0	0	0
Vacancy	0.0%	0.0%	0.0%	0.0%
Vacant/Not Available	0	0	0	0

TABLE 2**OVERALL VACANCY RATE**

	<u>10/14</u>	<u>10/15</u>	<u>10/16</u>	<u>10/17</u>
Total Available Units Surveyed	695	759	781	955
Vacant/Available for Rent	12	6	13	7
Vacancy Rate	1.7%	0.8%	1.7%	0.7%

TABLE 3

HISTORICAL VACANCY RATES
OCTOBER 1, 2014 THROUGH OCTOBER 1, 2017
 (All Units Vacant & Ready)

<u>DATE</u>	<u>VACANCY RATE</u>
October 2014	1.7%
October 2015	0.8%
October 2016	1.7%
October 2017	0.7%

Rent:

- The median rent for one-bedroom below market rate units is \$815.
- The median rent for two-bedroom below market rate units is \$859.
- The median rent for three-bedroom below market rate units is \$1,167.
- The median rent for four-bedroom below market rate units is \$1,152.

	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Below Market Median Rent	\$815	\$859	\$1,167	\$1,152

Below market rate non-senior only housing median rents compared to market rate median rents are reflected on the chart below.

	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Below Market Median Rent	\$815	\$859	\$1,167	\$1,152
Overall Market Median Rent	\$1,640	\$1,840	\$1,795	N/A

Median rents for one-bedroom units vary by \$825, two-bedroom units vary by \$981, three-bedroom units vary by \$628.

Below market rate median rents for non-senior only units compared to below market rate median rents for senior-only units is reflected on the chart below.

	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Below Market Median Rent	\$815	\$859	\$1,167	\$1,152
Below Market Median Rent Senior-Only	\$879	\$1,051	N/A	N/A

Median rents for one-bedroom units vary by \$64 and two-bedroom unit rents vary by \$192, with senior-only below market median rents being higher than non-senior only below market median rents for each unit size.

Below market rate non-senior only vacancy rates compared to vacancy rates for senior-only below market rate units is reflected on the chart below.

	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Overall Vacancy
Below Market Vacancy Rate	1.0%	0.8%	0.0%	0.0%	0.7%
Below Market Vacancy Rate Senior-Only	0.3%	0.0%	N/A	N/A	0.0%

Despite rents being higher for below market rate senior units, the vacancy rate for one-bedroom and two-bedroom units is lower for senior-only below market rate units compared to non-senior only below market rate units.

The attached tables provide results of this 2017 survey, as well as historical rental data:

- Table 4 Comparison of Median Rent Levels – October 1, 2017 Overall Units, Below Market Non-Senior Units, and Below Market Senior-Only Units By Bedroom Size
- Table 5 Comparison of Median Rent Levels – All Below Market Non-Senior Units 10/1/16 - 10/1/17 By Bedroom Size
- Table 6 Comparison of Median Rent Levels – All Below Market Senior-Only Units 10/1/16 - 10/1/17 By Bedroom Size
- Table 7 Rental Market Survey – Historical Median Rents for Below Market Non-Senior Units – 10/1/14 - 10/1/17
- Table 8 Rental Market Survey – Historical Median Rents for Below Market Senior-Only Units – 10/1/14 - 10/1/17

TABLE 4
COMPARISON OF MEDIAN RENT LEVELS – OCTOBER 1, 2017 OVERALL UNITS, BELOW MARKET NON-SENIOR UNITS, AND BELOW MARKET SENIOR-ONLY UNITS BY BEDROOM SIZE

	<u>10/17 – Overall</u>	<u>Below Market Non-Senior</u>	<u>Below Market Senior-Only</u>
One Bedroom Median Rent	\$1,640	\$815	\$879
Two Bedroom Median Rent	\$1,840	\$859	\$1,051
Three Bedroom Median Rent	\$1,795	\$1,167	N/A
Four Bedroom Median Rent	N/A	\$1,152	N/A

TABLE 5
COMPARISON OF MEDIAN RENT LEVELS ALL BELOW MARKET NON-SENIOR UNITS 10/1/16 - 10/1/17 BY BEDROOM SIZE

	<u>10/16</u>	<u>10/17</u>	<u>% change 2016-2017</u>
One Bedroom Median Rent	\$730	\$815	11.6%
Two Bedroom Median Rent	\$812	\$859	5.8%
Three Bedroom Median Rent	\$1,047	\$1,167	11.5%
Four Bedroom Median Rent	\$1,050	\$1,152	9.7%

TABLE 6
COMPARISON OF MEDIAN RENT LEVELS - ALL BELOW MARKET SENIOR-ONLY UNITS 10/1/16 - 10/1/17 BY BEDROOM SIZE

	<u>10/16</u>	<u>10/17</u>	<u>% change 2016-2017</u>
One Bedroom Median Rent	\$858	\$879	2.4%
Two Bedroom Median Rent	\$1,030	\$1,051	2.0%

TABLE 7**RENTAL MARKET SURVEY- HISTORICAL MEDIAN RENTS FOR BELOW MARKET NON-SENIOR UNITS
10/1/14 – 10/1/17**

	<u>OCT '14</u>	<u>OCT '15</u>	<u>OCT '16</u>	<u>OCT '17</u>
1 Bedroom				
Median Rent	\$729	\$729	\$730	\$815
No. Surveyed	99	105	117	199
2 Bedroom				
Median Rent	\$803	\$817	\$812	\$859
No. Surveyed	460	518	539	615
3 Bedroom				
Median Rent	\$1,029	\$1,034	\$1,047	\$1,167
No. Surveyed	120	120	108	124
4 Bedroom				
Median Rent	\$1,043	\$1,043	\$1,050	\$1,152
No. Surveyed	16	16	17	17

TABLE 8**RENTAL MARKET SURVEY- HISTORICAL MEDIAN RENTS FOR BELOW MARKET SENIOR-ONLY UNITS
10/1/14 – 10/1/17**

	<u>OCT '14</u>	<u>OCT '15</u>	<u>OCT '16</u>	<u>OCT '17</u>
1 Bedroom				
Median Rent	\$654	\$858	\$858	\$879
No. Surveyed	291	291	291	291
2 Bedroom				
Median Rent	\$973	\$1,022	\$1,030	\$1,051
No. Surveyed	68	68	68	68