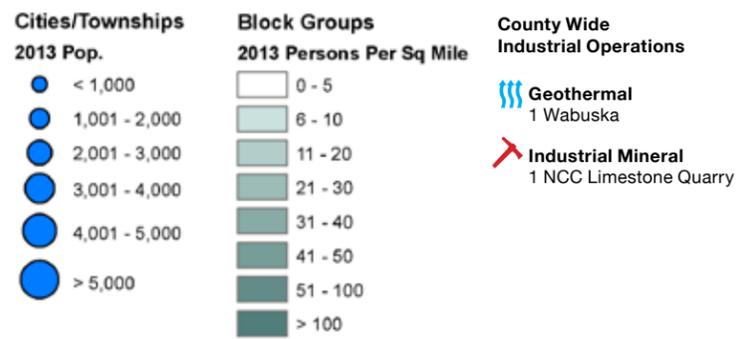
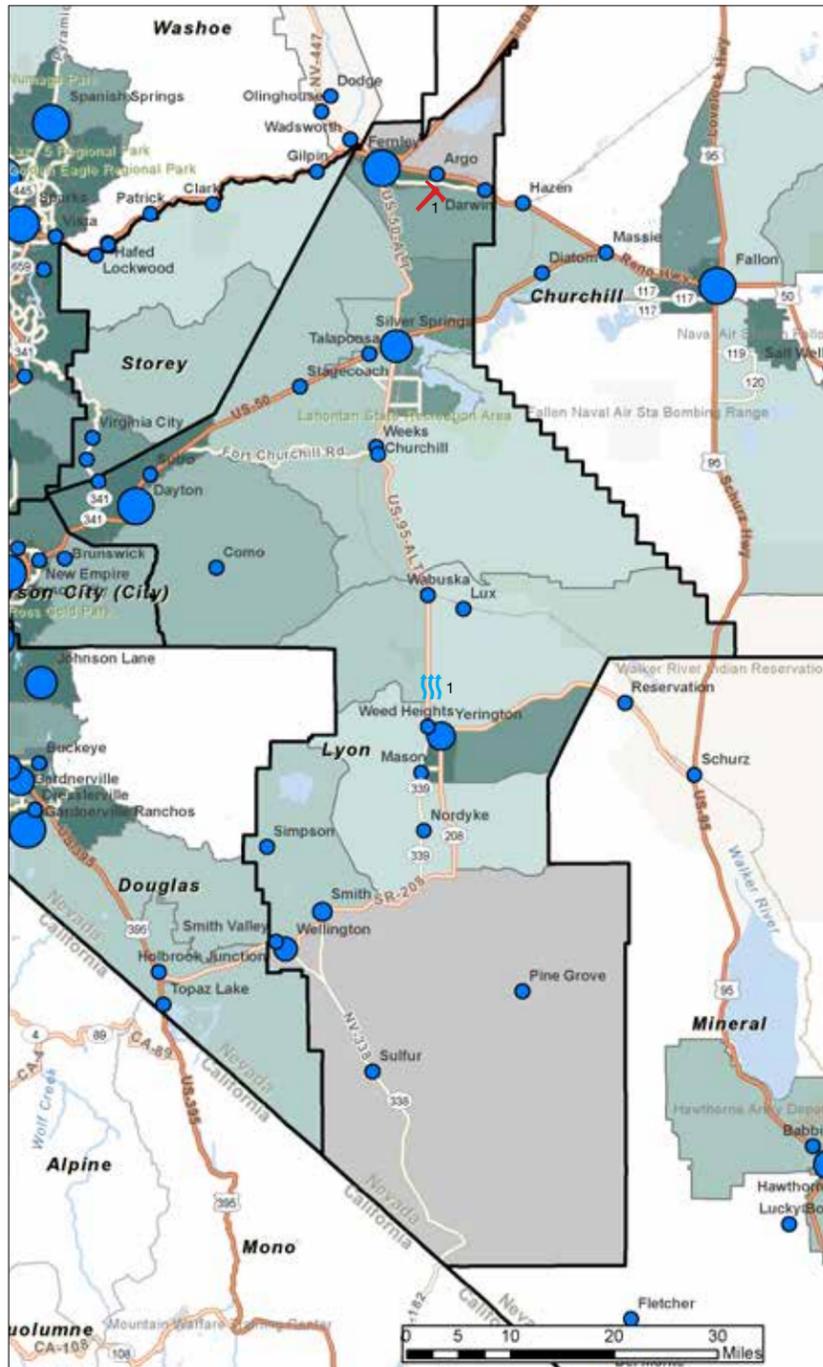


Lyon County

POPULATION & INDUSTRIAL OPERATIONS MAP



2014-2018 Rural Nevada Housing Study

A COMPREHENSIVE RESOURCE FOR
COMMUNITY PLANNING IN NEVADA'S
MINERAL BELT COMMUNITIES

Do Nevada's rural communities need additional housing? Single-family or multifamily? Senior housing, workforce or family? Do area salaries support new housing development costs? Is there infrastructure in place to adequately support new housing development? Can rural communities plan smarter while avoiding an over or under building scenario? Nevada Rural Housing Authority (NRHA) set out to answer these questions, and others, for Nevada's rural mining-based communities.

The result – a 1,050 page housing study covering ten rural counties, commissioned by NRHA, that is helping lay the foundation for more efficient community planning and to support future housing development. This report, released in the summer of 2014, provides up-to-date, comprehensive data on housing demand, inventory and supporting infrastructure for Nevada's rural communities.

The study spanned over 11 months, and involved collaboration with city and county leaders, mining companies, financial institutions, and local businesses throughout the state. Its value to our state is underscored by the number of financial underwriters including, NRHA, the USDA and its Department of Rural Development, Nevada Division of Business & Industry, Governor's Office of Economic Development, Wells Fargo Bank and Nevada State Bank.

Armed with this valuable information, and the experience and resources of the NRHA development team available to them, rural communities can now plan for a prosperous and successful future.

To view the complete and detailed report as provided by Vogt Santer Insights, please visit our website at nvrural.org/2014housingstudy.



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Lyon County

HOUSING STUDY SUMMARY • SEPTEMBER 2014



A COMPREHENSIVE
ASSESSMENT OF:

Household Demographics
Renter & Homebuyer Capacity
Current Housing Conditions

FOR THE PURPOSES OF:

Supporting Rural Economic
Development Efforts
Projecting housing trends
Defining housing goals



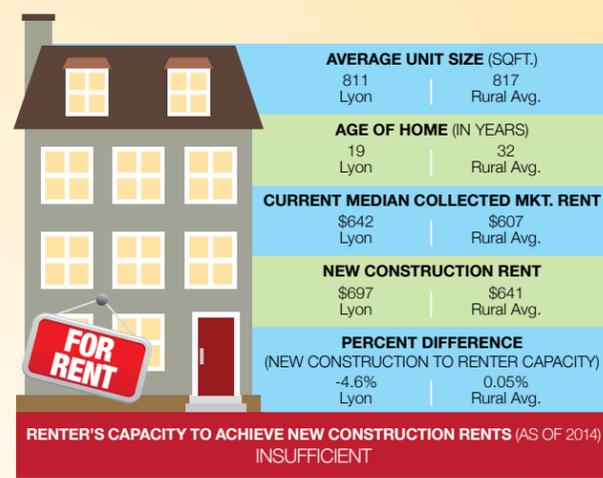
Lyon County's Housing at a Glance

RENTAL RATES & HOUSING PRICE ANALYSIS

For sale home pricing
(Sale prices for median sized home situated on 1/4 acre or smaller lot)

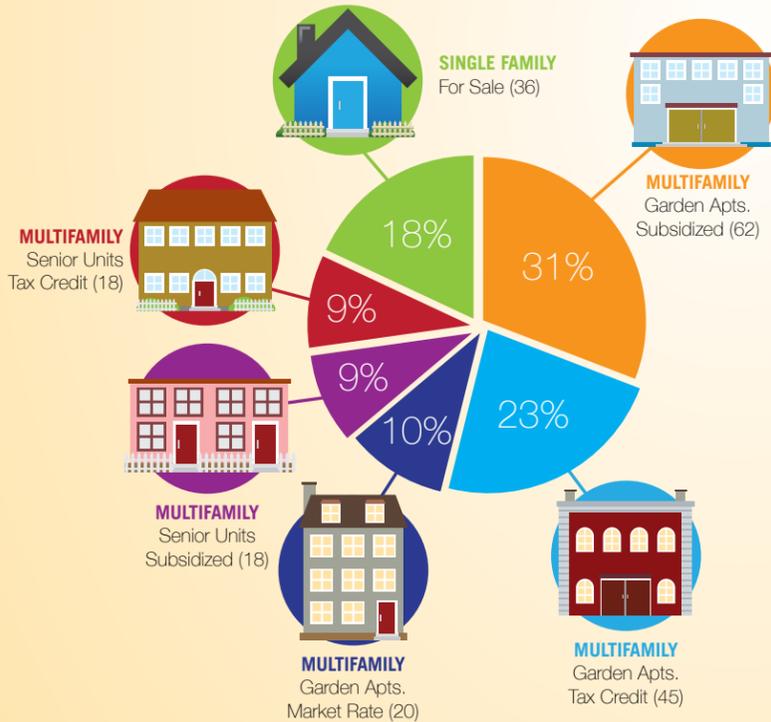


Multifamily market rental rates
(Average market rents for 1, 2 & 3 bedroom garden style units)



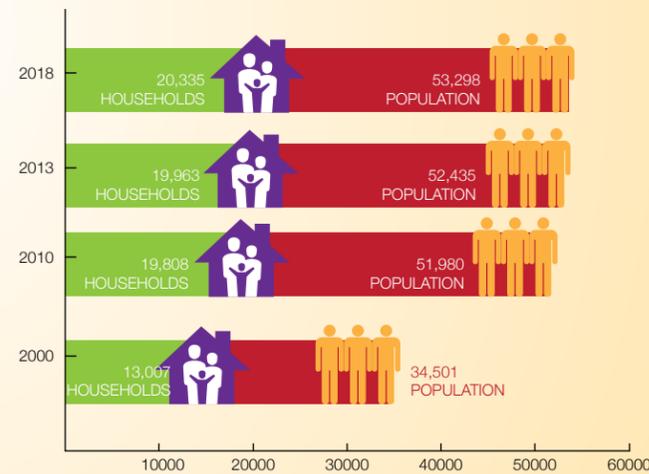
NEW HOUSING UNITS

Demand for new housing units identified for Lyon County

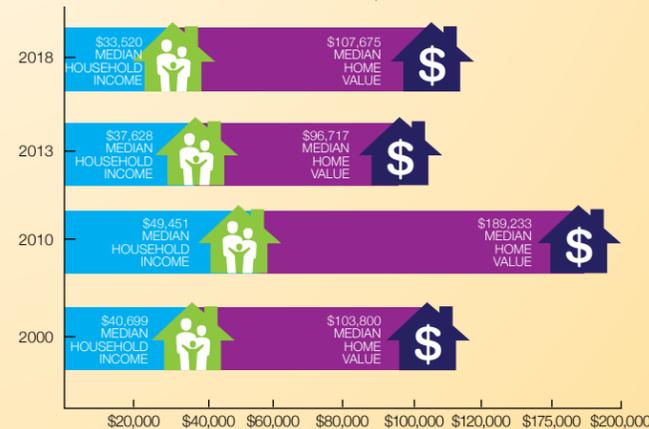


AREA ECONOMIC ASSESSMENTS

Population and household count



Median household income & median home value comparison



NEED BEFORE DECEMBER 31, 2018

For Sale Housing: 36 Homes
Senior Housing: 36 Units
Rental Housing: 127 Units
Estimate Demand: 199 New Housing Units

Lyon County

HOUSING STUDY SUMMARY | SEPTEMBER 2014

THE COUNTY

Lyon County is located in the west-central area of the state. Yerington, the county seat, is one of five cities in the county; other cities include Fernley, Dayton, Silver Springs and Smith Valley. As of December 2013, the population in Lyon County is estimated to be 52,435, comprising 19,963 households. It should be noted that the population in this area is projected to increase by 863 residents, or 1.6% of the population, by the end of the year 2018, while households are projected to increase by 372, or 1.9%, over the same period. The majority of the county's residents live in Fernley, which is located in the north part of the county and is near Reno. Transport, storage and distribution and manufacturing are the main industry employers, as Fernley is home to various industrial parks.

This study estimates rental demand through 2018 to include up to 213 additional rental units over the next five years, with overall demand for an average of more than 40 units annually.

COUNTY POPULATION GROWTH

Between 2013 and 2018, the greatest growth among household age groups is projected to be among the households between the ages of 65 and 74. In fact, all household age groups age 55 and older are projected to increase between 2013 and 2018, indicating an increasing need for senior-specific housing in the market. However, these changes may not translate into a need for new housing units, because many of the county's older adults are already housed and are aging into older cohorts. Instead, it is likely that some older adults will likely move into senior-specific housing at some future date, freeing up single-family homes for younger households.

AREA HOUSEHOLD INCOME

Area projections indicate a decline in median household income between 2010 and 2013, from \$49,451 to \$37,628 in 2013, a 23.9% decrease likely reflecting the lingering impact of the recent national recession. By 2018, it is projected that the median household income will be \$33,520, reflecting an additional decrease of 10.9% compared to the 2013 level. While area projections indicate a decline in median household income, it is VSI's opinion that the likely best-case scenario relative to income levels is that the 2018 household incomes will remain close to

2013 levels (when median household income was \$37,628), and that income levels will most likely increase from that point in time. Based on the 2010 U.S. Census and the American Community Survey (ACS), up to 75% of Lyon County households, depending upon income level, are considered rent overburdened. NOTE: Those "overburdened" are households who are paying 30% or more of their adjusted annual income for housing costs (which includes their cost for utilities). A combination of an increasingly aging population and the presence of an overburdened segment

of population is anticipated to continue to have a notable impact on housing availability throughout this area until adequate affordable housing can be provided to redistribute the use of the existing housing stock.

HOME VALUES AND HOUSING IN GENERAL

The median home value in Lyon County in 2010 was over \$189,000. The 2013 estimate reflects a decrease of more than 50%, likely due primarily to the recent national recession.

Over the next five years, the median home value for the area is projected to increase 11% to just over \$107,500 in 2018 — still well below the county's 2010 median home value. Clearly, home values have been impacted by the recent recession, and it is projected that recovery will be slow. At present, an estimated 2.0% of area housing units are considered substandard (no plumbing and/or kitchen facilities or more than one occupant per room), and an estimated 34.7% of area housing units are overburdened by housing costs, including 33.4% of area rental units (multi- and single-family dwellings). Overall, rentals have a combined occupancy rate of 95.4%, a stable rate for rental housing. Income segments indicate net demand of more than 150 subsidized and affordable units and up to 35 market-rate units. Considering the transient nature of the area, with job growth and population and household changes, it is projected that the majority of area housing demand will initially be for rental units. This study estimates rental demand through 2018 to include up to 213 additional rental units over the next five years, with overall demand for an average of more than 40 units annually. Estimates for single-family homes within the area project demand for eight to ten new home sales annually in the near term within the targeted \$185,000 to \$222,000 sales price range.

This study represents point-in-time data collection; as such, during the timeframe in which VSI conducted research, a number of potential developments have come to light that may have an impact on study areas — including a new Tesla Motors manufacturing facility east of Reno, among others. As of now, these initiatives lack specifics, meaning their full effects on housing markets cannot be assessed.

This survey was conducted to establish the overall strength of the housing market within the rural areas of the State of Nevada, a full detailed report was issued by Vogt Santer Insights (VSI) on January 22nd, 2014, and as revised on August 1st, 2014, which includes a complete detailed analysis of this County. One of the points of emphasis in VSI's discussions with the Nevada Rural Housing Authority (NRHA) was that future development should not saturate a market and potentially create a situation of overbuilding. It is in the best interest of all parties involved in the rural areas, local government officials, lending institutions, developers and state agencies, that local housing needs be met without creating market issues by adding too many units to an area quicker than those areas households can purchase or rent the new homes and apartments as they are brought on-line.