



**Council Meeting: February 7, 2012**

**SUBJECT: Vacancy and Rent Survey (Information Only)**

**REPORT IN BRIEF**

The purpose of this report is to provide City Council with the findings of the Sunnyvale Vacancy and Rent Survey.

**BACKGROUND**

The Housing Division conducts the annual survey by obtaining vacancy and rent data from RealFacts for Sunnyvale apartment complexes with fifty or more units. Staff uses the data to adjust the maximum rent limits for the Sunnyvale Below Market Rate (BMR) Rental Housing Program, and to make several other determinations, as explained below.

**EXISTING POLICY**

The Sunnyvale Municipal Code (SMC) requires that the annual Vacancy and Rent Survey be used to adjust the maximum BMR rent limits.

**DISCUSSION**

In the fourth quarter of 2011, the rental vacancy rate was 3.5%, compared to a vacancy rate of 3.4% one year earlier.

The average rent charged for a market-rate apartment in Sunnyvale in the same quarter was \$1,726 which is an increase of 13.8% from the average rent charged the prior year. This rate of increase is used to determine the BMR maximum rent limits for 2012, as explained below.

According to the BMR Administrative Guidelines, when Sunnyvale rents increase, based on the Vacancy and Rent Survey, BMR rents shall increase 5% or the actual average increase, which ever is less.

In accordance with this formula, the 2011 BMR rent limits are increased by 5%, the maximum permitted, as shown on the table below, to produce the 2012 rent limits. Additionally, an increase of 5% is permitted for existing BMR rental tenants effective April 1, 2012.

**BMR RENT LIMITS**

<b>Unit Size</b>	<b>2011</b>	<b>2012*</b>
Studio	\$1,210	\$1,270
One Bedroom	\$1,375	\$1,445
Two Bedroom	\$1,550	\$1,630
Three Bedroom	\$1,860	\$1,955

\* 2012 BMR rents rounded to the nearest \$5.00

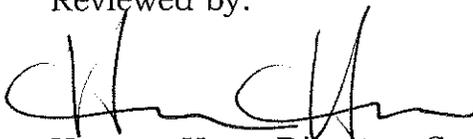
The 2012 BMR rent limits will take effect April 1, 2012, and will apply to any existing BMR rental unit leased to new tenants beginning on this date.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

Each year following the council meeting, staff sends an official Rental Bulletin notifying property managers and owners with complexes providing BMR units of the new BMR rent limits.

Reviewed by:

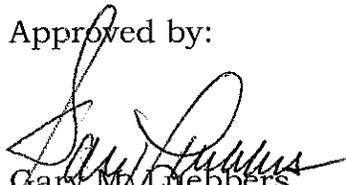


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**Attachments**

None