

2010 THE CITY OF DAVIS VACANCY AND RENTAL RATE SURVEY
UC DAVIS STUDENT HOUSING

The UC Davis Student Housing Department has conducted a Vacancy and Rental Rate Survey on apartments in Davis since Fall quarter 1975. The purpose of this survey is to provide the campus and the Davis community with information for future planning.

The 2010 Vacancy Survey was conducted in October and November. Questionnaires were sent to all apartments in Davis with five or more rental units. Mailing of questionnaires coincided with the last day to add or drop classes to ensure the information solicited reflected final enrollment data. The vacancy report has remained consistent in reflecting data at the time of final registration and enrollment deadlines. Enrollment figures used are for fall quarter only and do not represent the entire academic year.

A total of 163 questionnaires were mailed. Apartment managers and owners who did not return the surveys were again contacted by phone and mail. In all, 134 of the 163 complexes participated by providing data. The total number of units in the 29 apartment complexes which did not respond is approximately 320. The surveys requested information on capacity, vacancies, and rent by type of market rate units. Type of unit denotes the number of bedrooms and whether the apartment is furnished or unfurnished.

Subsidized apartments, those which require an income eligibility test to qualify low-income residents for reduced rent, were not included in this report. Most students are not eligible for these units. While we have considerable confidence in our data collection and analysis, the reliability of the information reported is dependent upon the accuracy of information provided by the apartment owners and managers.

The construction of new complexes, conversions and demolition of some units, as well as non-participation in the survey by some apartment complexes, affects overall totals.

TABLE 1
2010 VACANCY RATE BY TYPE OF UNIT
FAIR MARKET UNITS PROFILE

UNIT TYPE	# UNITS	#VAC	% VACANT
Studio unfurnished	206	7	3.4%
Studio furnished	20	0	0.0%
1-Bedroom unfurnished	2761	86	3.1%
1-Bedroom furnished	17	0	0.0%
2-Bedroom unfurnished	3835	137.5	3.6%
2-Bedroom furnished	46	1	2.2%
3-Bedroom unfurnished	1212	47	3.9%
3-Bedroom furnished	3	2	66.7%
4-Bedroom unfurnished	614	19	3.1%
4-Bedroom furnished	6	0	0.0%
5-Bedroom unfurnished	0	0	n/a
6-Bedroom unfurnished	4	0	0.0%
TOTALS	8724	299.5	3.4%

VACANCY RATES

The 2010 data reflect a vacancy factor for apartments in Davis of 3.4% overall. Table I illustrates the type and number of units currently rented in the city. For the purpose of this survey, if tenants have the option to rent a unit furnished or unfurnished, half of these are reported as furnished, and half as unfurnished.

Economists and planners typically regard a vacancy rate of 5% as the ideal balance between the interests of the landlord and the tenant. This is largely predicated on the assumption that it serves as a deterrent to unjustified rent increases, while still allowing property owners to make a fair return on their investment. Likewise, it provides landlords an incentive to maintain facilities in good working order and gives renters a choice and an opportunity to negotiate contractual terms.

Table II provides historical data on UC Davis enrollment and the apartment vacancy rates for the past ten years.

**TABLE II
UC DAVIS ENROLLMENT AND VACANCY RATE
HISTORICAL DATA**

YEAR	ENROLLMENT	TOTAL APARTMENTS	DAVIS VACANCY RATE
2001	27,292	8,636	0.3
2002	29,087	8,600	0.2
2003	30,229	9,200	1.7
2004	30,065	8,790	3.3
2005	29,637	8,750	4.2
2006	30,475	8,740	1.8
2007	30,685	8,634	0.7
2008	31,426	8,469	0.8
2009	32,153	8,720	3.2
2010	31,392	8,724	3.4

RENTAL RATES

Table III reflects the percentage change in rental rates from 2009 to 2010 for all apartment types. The overall mean average change was a decrease of **-0.55%** in 2010.

To draw any conclusions about the rate would require analysis of each property, since we report an average rate. Factors contributing to rental increases or decreases may include vacancy rates, profit, overall inflation, utility rates, property sales, current or planned renovations, refinancing, and/or other expenses.

**TABLE III
2010 AVERAGE RENTAL RATE COMPARISON
BY TYPE OF UNIT
(FAIR MARKET UNITS)**

	Total #	2010 Average	2009 Average	
Unit Type	of Units	Rent	Rent	% Change
Studio unfurnished	206	\$819	\$813	0.74%
Studio furnished	20	\$815	\$787	3.56%
1-Bedroom unfurnished	2761	\$914	\$947	-3.48%
1-Bedroom furnished	17	\$886	\$746	18.77%
2-Bedroom unfurnished	3835	\$1,237	\$1,226	0.90%
2-Bedroom furnished	46	\$1,152	\$1,113	3.50%
3-Bedroom unfurnished	1212	\$1,817	\$1,818	-0.06%
3-Bedroom furnished	3	\$1,500	n/a	n/a
4-Bedroom unfurnished	614	\$2,398	\$2,369	1.22%
4-Bedroom furnished	6	\$2,145	\$2,270	n/a
5-Bedroom unfurnished	0	n/a	n/a	n/a
6-Bedroom unfurnished	4	\$2,850	\$2,838	0.42%
Mean Average Increase				-0.55%

This is a weighted average based on the number of units of each type. The apartment complexes with more units contribute more to this figure.

The 2010 Davis Apartment Vacancy and Rental Rate Survey is subject to a variety of interpretations. It is our hope that the information provided in this report will provide a framework for future discussions concerning rental housing in the campus and Davis communities.