

RENO MSA INDUSTRY TRENDS-NOVEMBER2018

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Business Activity, Construction, and Housing indexes provide a simplified look at important industry trends within the Reno MSA economy.

Business Activity Index November 2018

Provides historical and current trends for business activity in the Reno MSA region.

Construction Index November 2018

Provides historical and current trends for the construction industry in the Reno MSA region.

SF Housing Index (Revised) November 2018

Provides historical and current trends for single-family housing activity in the Reno MSA region.

Business Activity Index						Construction Index						SF Housing Index		
November 2018						November 2018						November 2018		
Provides historical and current trends for business activity in the Reno MSA region.						Provides historical and current trends for the construction industry in the Reno MSA region.						Provides historical and current trends for single-family housing activity in the Reno MSA region.		
0.45% ↑						-1.90% ↓						0.12% ↑		
% Change		Taxable		Airport		% Change		Commercial		Residential		% Change		Median
Taxable	Gaming	Nonfarm	Airport	Airport		Construction	Building	Commercial	Building	Residential	Residential	SF Homes	Sold	Price of SF
Sales	Revenue	Employment	Passengers	Cargo		Employment	Permit	Building	Permit	Permit	Permit	Sold	Sold	Homes
							Valuation	Permits	Valuation	Units				
Month to	0.30% ↑	0.42% ↑	0.67% ↑	0.56% ↑	0.14% ↑	Month to	0.81% ↑	-10.29% ↓	-1.97% ↓	4.28% ↑	1.74% ↑	Month to	-0.68% ↓	0.79% ↑
Month						Month						Month		
3.12% ↑						6.85% ↑						1.58% ↑		
% Change		Taxable		Airport		% Change		Commercial		Residential		% Change		Median
Taxable	Gaming	Nonfarm	Airport	Airport		Construction	Building	Commercial	Building	Residential	Residential	SF Homes	Sold	Price of SF
Sales	Revenue	Employment	Passengers	Cargo		Employment	Permit	Building	Permit	Permit	Permit	Sold	Sold	Homes
							Valuation	Permits	Valuation	Units				
Year to	2.73% ↑	2.58% ↑	6.07% ↑	5.39% ↑	-3.33% ↓	Year to	5.14% ↑	18.26% ↑	11.15% ↑	-0.91% ↓	-1.85% ↓	Year to	-7.54% ↓	10.52% ↑
Year						Year						Year		

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The Reno MSA Business Activity, Construction, and Housing Indexes are created using the composite methodology introduced by the Department of Commerce and made popular by The Conference Board. All data variables are monthly, seasonally adjusted using the moving average method, and all series reported in dollar terms are adjusted for inflation. All indexes, with the exception of the Construction Index, are based on data starting January 1995, with 1995=100. The Construction Index is based on data starting January 2001, with 2001=1000. The following variables are included in each index:

Business Activity Index

- MSA Employment
- WC Gaming Revenue
- WC Taxable Sales
- RTIA Passengers
- RTIA Cargo

Construction Index**

- MSA Construction Employment
- WC Commercial Permits
- WC Commercial Permit Valuation
- WC Residential Permit Units
- WC Residential Permit Valuation

SF Housing Index

- WC Single-Family Home Sales
- WC Single Family Median Sales Price

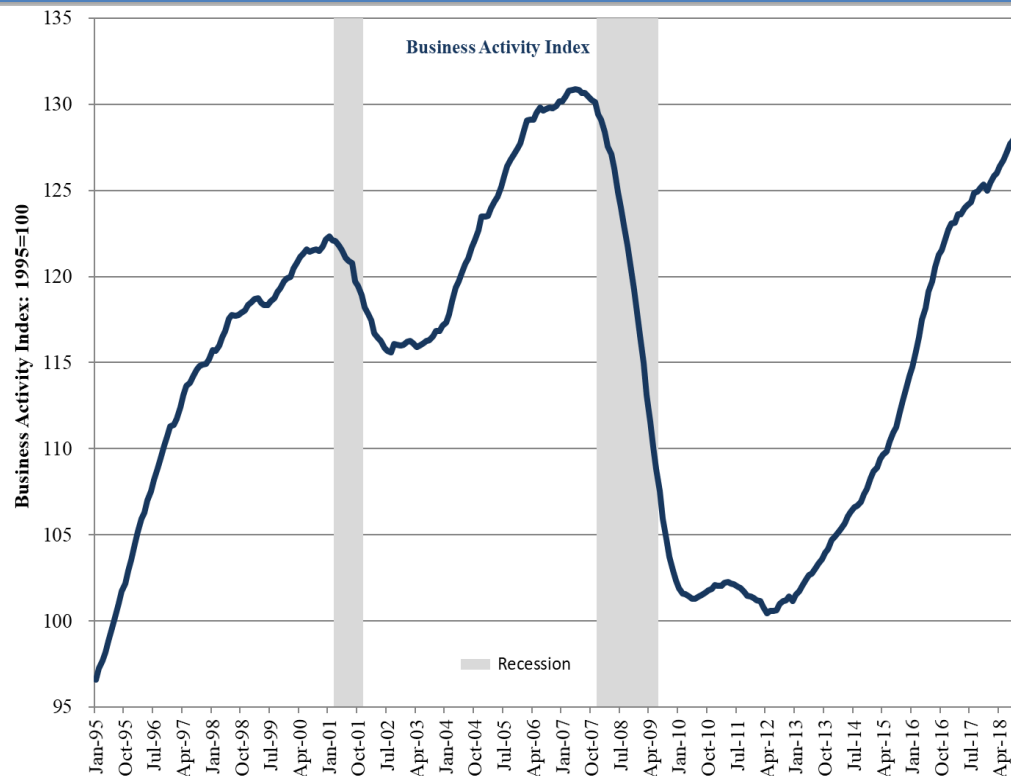
* MSA-Reno Metropolitan Statistical Area * WC-Washoe County * RTIA-Reno Tahoe International Airport *SF-Single Family

Reno MSA Business Activity Index

Reno MSA Business Activity Index increased between October and November 2018, the eleventh month of growth after a small (0.29%) index decrease in December 2017.

The Reno MSA Business Activity Index provides a simplified picture of business activity in the Reno MSA region. While similar to our Reno MSA Leading Economic Index, this index excludes some local residential indicators and all national indicators to arrive at a local business activity index. As with the leading index, taxable sales data for this index is projected using average 12-month, year-over-year change for the variable.

The Index shows 0.45% increase between October and November 2018. The index increased by 3.12% over the same period last year (November 2017 and 2018).



The index shows month-over-month growth in all series. The airport cargo shipped series grew for two months in the row (October and November) with declines in only two periods over the past six months. This may indicate the end of the declining trend of shipments. Cargo shipment data is still 3.33% lower than the November 2017 levels.

Series	Latest Period- November 2018	Prev. Period- October 2018	Change Prev. Period	Prev. Year- November 2017	Change Prev. Year
Taxable Sales (Washoe Co., SA, CPI)	439,438,462	438,119,152	0.30%	427,747,311	2.73%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	43,797,296	43,612,391	0.42%	42,696,022	2.58%
CES Employment (Reno MSA, SA)	239,633	238,033	0.67%	225,925	6.07%
Airport Passengers (Reno Tahoe Airport, SA)	349,650	347,696	0.56%	331,761	5.39%
Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA)	12,457,444	12,440,295	0.14%	12,885,902	-3.33%
Business Activity Index Result	129.25	128.66	0.45%	125.33	3.12%

Source: Nevada Department of Taxation, Nevada Gaming Control Board, Current Employment Statistics (CES)-Bureau of Labor Statistics, and Reno-Tahoe International Airport.

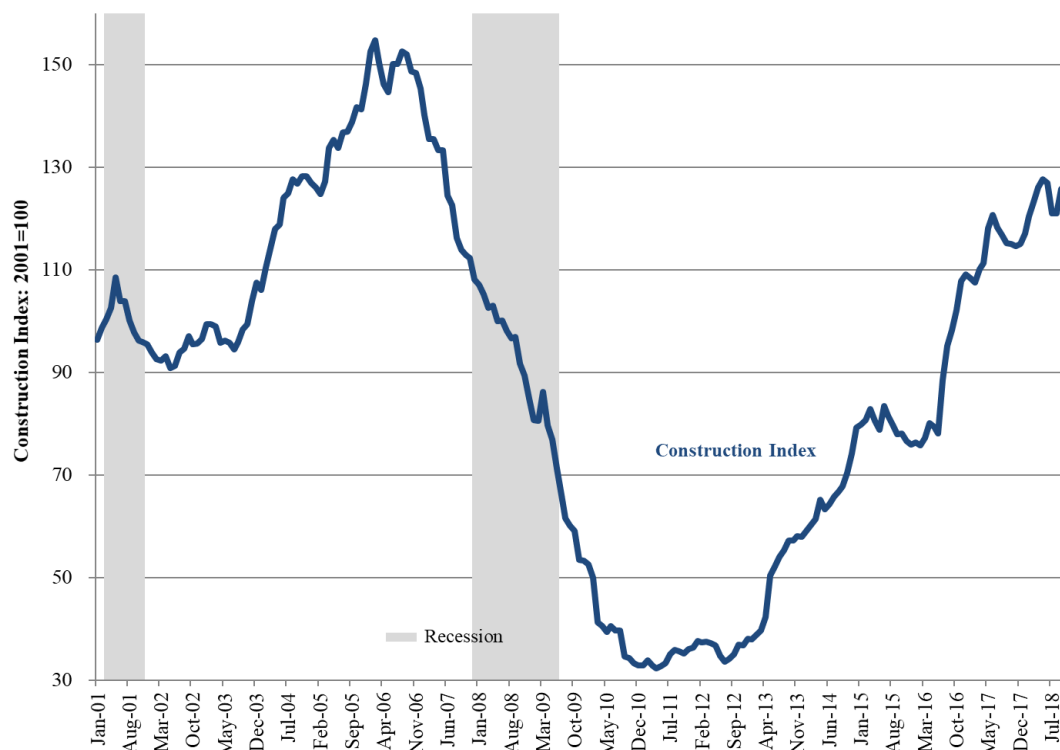
SA-Series results are seasonally adjusted. CPI-Series results are adjusted for inflation to 1995.

Reno MSA Construction Index

Reno MSA Construction Index declined by 1.90% between October and November 2018, the second month of index decline after two months of growth in August and September 2018.

The Reno MSA Construction Index provides a picture of the performance of the construction industry in the Reno MSA region. Currently, no single variable represents the condition of the construction industry in the area. By combining multiple construction-related indicators into a single number, the Construction Index represents the state of the construction industry each month, allowing for comparison of trends in the industry over time.

The Index shows a 1.90% decline between October and November 2018. Construction employment in the region continues to increase. However, commercial permit series (both count and valuation) declined compared to the previous month. Despite this decline, commercial permits increased compared to the previous year. Both residential permit series increased compared to the previous month, but remained lower than the same month in 2017.



Series	Latest Period- November 2018	Prev. Period- October 2018	Change Prev. Period	Prev. Year- November 2017	Change Prev. Year
Reno MSA Construction Employment (SA)	17,542	17,400	0.81%	16,683	5.14%
Washoe Co. Commercial Building Permit Value (SA, CPI)*	33,449,617	37,287,161	-10.29%	28,284,731	18.26%
Washoe Co. Commercial Building Permits (SA)*	24.9	25.4	-1.97%	22	11.15%
Washoe Co. Residential Building Permit Value (SA, CPI)*	52,720,282	50,554,668	4.28%	53,203,336	-0.91%
Washoe Co. Residential Building Permit Units (SA)*	394	387	1.74%	401	-1.85%
Construction Index Result	122.54	124.91	-1.90%	114.68	6.85%

Despite these monthly fluctuations, the overall construction industry, as represented by the index, continues to grow. The index increased by 6.85% compared to the same month in the previous year (November 2017 to 2018).

Source: Current Employment Statistics-Bureau of Labor Statistics and Building Departments of City of Reno, City of Sparks, and Washoe County.

SA-Series results are seasonally adjusted. CPI-Series results are adjusted for inflation to 2001.

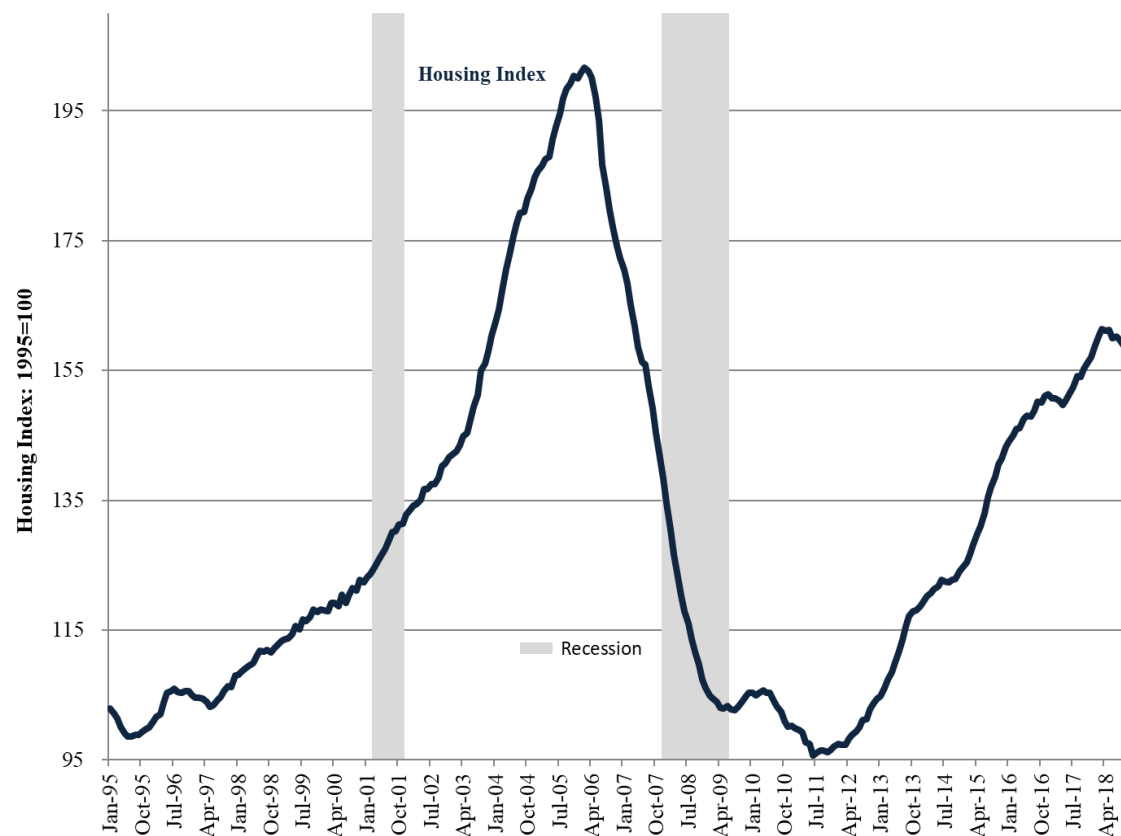
*Includes data for Washoe County, City of Reno, and City of Sparks.

Reno MSA Single-Family Housing Index

The Reno MSA Single-Family Housing index increased between October and November 2018, the first increase after a three-month decline.

The goal of the Reno MSA Single-Family Housing Index is to provide a simplified picture of the residential housing market in the Reno MSA region. The original index included employment, number of home sales, home prices, and home affordability series. This simplified index will allow for comparison of housing sales trends in the region over time.

The index increased by 0.12% between October and November 2018. The number of new and existing homes sold in the region continues to decrease. While in the past the decline in home sales was due to lack of homes available for sale, recently, sales continued to decline while listings increased. Some shortage still exists in the market, but some of the sales decline can now be attributed to growth in home prices, which continue to increase as shown by the index. The index increased by 1.58% compared to the same period previous year (November 2017 and 2018).



Series	Latest Period- November 2018	Prev. Period- October 2018	Change Prev. Period	Prev. Year- November 2017	Change Prev. Year
New and Existing Homes Sold (Washoe Co., SA)	679	684	-0.68%	734	-7.54%
Median Price of New/Existing Homes (Washoe Co., SA, CPI)	234,047	232,206	0.79%	211,770	10.52%
Housing Index Result	158.72	158.53	0.12%	156.25	1.58%

Source: Washoe County Assessor/Center for Regional Studies (UNR).
SA-Series results are seasonally adjusted. CPI-Series results are adjusted for inflation to 1995.