

RENO MSA INDUSTRY TRENDS-AUGUST 2018

Published October 2018

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

Business Activity Index August 2018

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

Construction Index August 2018

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

SF Housing Index (Revised) August 2018

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

Business Activity Index						Construction Index						SF Housing Index		
August 2018						August 2018						August 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.		
0.33% ↑						0.04% ↑						-0.29% ↓		
% Change	Taxable Sales	Taxable Gaming Revenue	Nonfarm Employment	Airport Passengers	Airport Cargo	% Change	Construction Employment	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units	% Change	SF Homes Sold	Median Price of SF Homes
Month to Month	0.42% ↑	0.33% ↑	0.52% ↑	0.68% ↑	-0.41% ↓	Month to Month	0.49% ↑	2.60% ↑	-0.67% ↓	-1.41% ↓	-1.95% ↓	Month to Month	-1.48% ↓	0.77% ↑
2.60% ↑						3.60% ↑						3.66% ↑		
% Change	Taxable Sales	Taxable Gaming Revenue	Nonfarm Employment	Airport Passengers	Airport Cargo	% Change	Construction Employment	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units	% Change	SF Homes Sold	Median Price of SF Homes
Year to Year	3.80% ↑	3.22% ↑	4.52% ↑	6.53% ↑	-5.04% ↓	Year to Year	4.96% ↑	15.55% ↑	-9.97% ↓	3.88% ↑	6.38% ↑	Year to Year	-3.36% ↓	10.66% ↑

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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

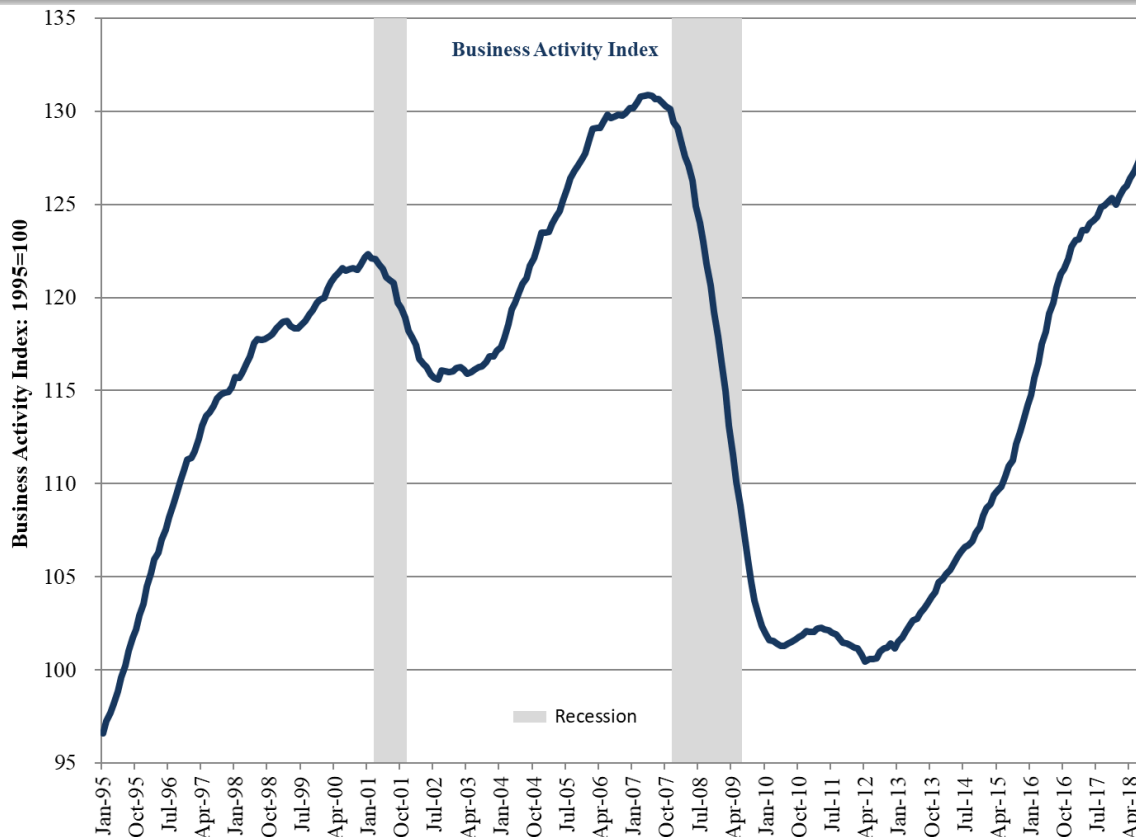
* MSA-Reno Metropolitan Statistical Area * WC-Washoe County * RTIA-Reno Tahoe International Airport *SF-Single Family

Reno MSA Business Activity Index

Reno MSA Business Activity Index increased between July and August 2018, the eighth 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 0.33% increase between July and August 2018. The index increased by 2.60% over the same period last year (August 2017 and 2018).



Series	Latest Period- August 2018	Prev. Period- July 2018	Change Prev. Period	Prev. Year- August 2017	Change Prev. Year
Taxable Sales (Washoe Co., SA, CPI)	439,996,563	438,161,436	0.42%	423,886,515	3.80%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	43,831,356	43,685,411	0.33%	42,462,461	3.22%
CES Employment (Reno MSA, SA)	235,258	234,033	0.52%	225,083	4.52%
Airport Passengers (Reno Tahoe Airport, SA)	346,878	344,536	0.68%	325,620	6.53%
Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA)	12,371,178	12,422,617	-0.41%	13,027,230	-5.04%
Business Activity Index Result	128.09	127.67	0.33%	124.85	2.60%

Airport cargo pounds shipped data was not available in August 2018 and was estimated using moving average historical data for the series.

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.

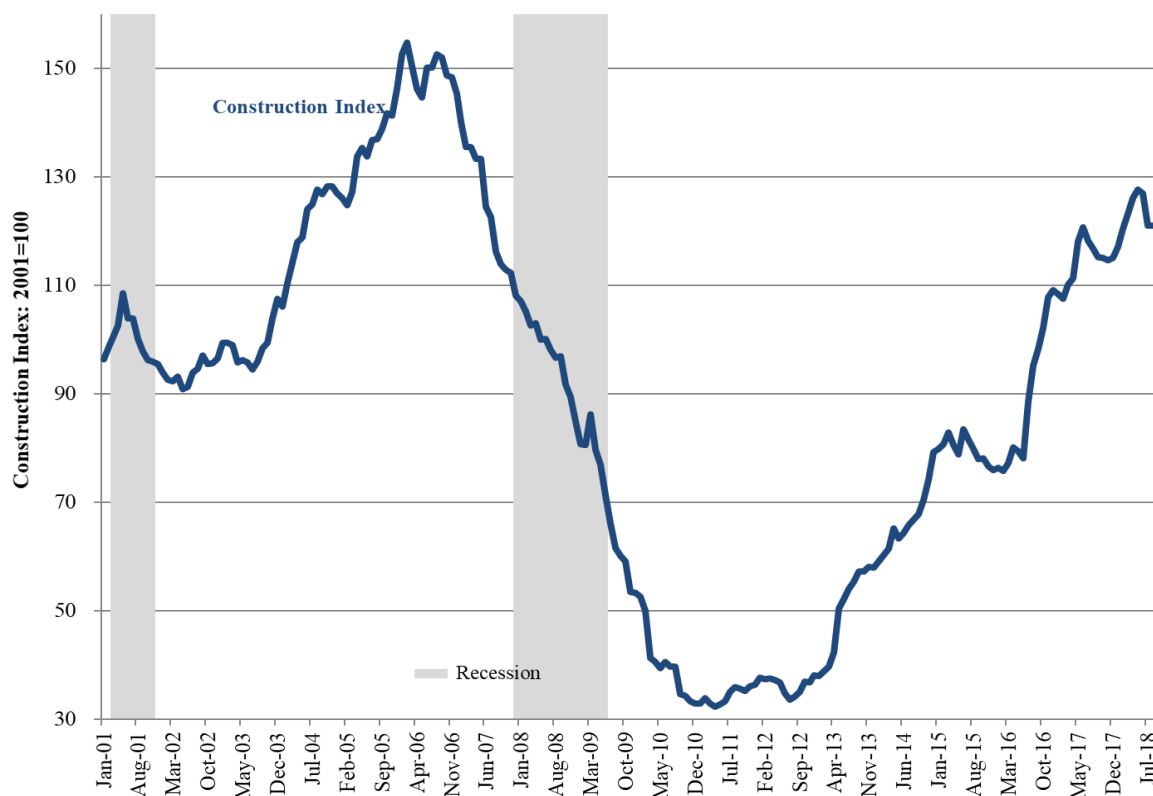
Reno MSA Construction Index

Reno MSA Construction Index increased by 0.04% between July and August 2018, the first month of index increase after a two-month decline in June and July 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 0.04% increase between July and August 2018. While construction employment continues to increase, permits fluctuate.

In August, three building permit measures declined compared to the previous month, and number of commercial permits declined compared to the previous year. Value of commercial permits increased between July and August 2018 and August 2017 and 2018.



Series	Latest Period- August 2018	Prev. Period- July 2018	Change Prev. Period	Prev. Year- August 2017	Change Prev. Year
Reno MSA Construction Employment (SA)	17,100	17,017	0.49%	16,292	4.96%
Washoe Co. Commercial Building Permit Value (SA, CPI)*	33,562,520	32,713,442	2.60%	29,045,204	15.55%
Washoe Co. Commercial Building Permits (SA)*	24.8	25.0	-0.67%	28	-9.97%
Washoe Co. Residential Building Permit Value (SA, CPI)*	51,538,736	52,275,588	-1.41%	49,615,952	3.88%
Washoe Co. Residential Building Permit Units (SA)*	386	394	-1.95%	363	6.38%
Construction Index Result	120.99	120.95	0.04%	116.79	3.60%

The overall construction industry in the region is growing, with the index increasing by 3.60% from the same period last year (August 2017 and 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.

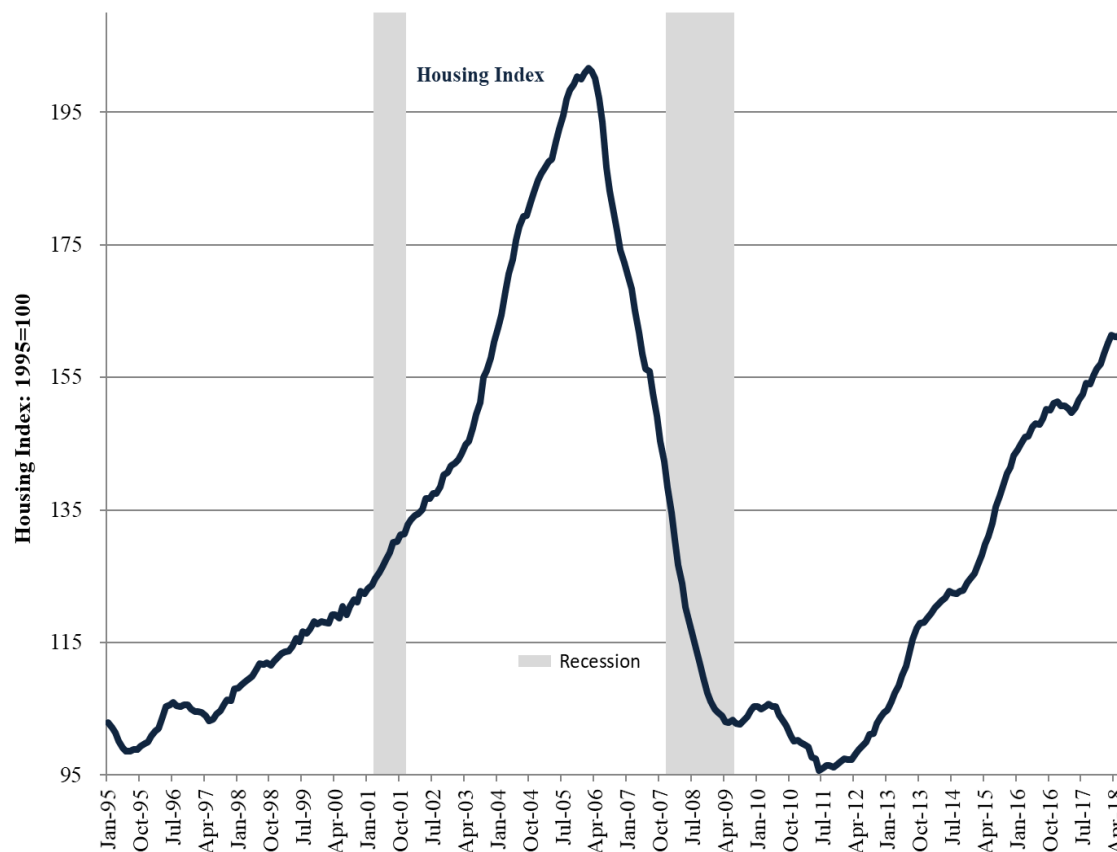
*Includes data for Washoe County, City of Reno, and City of Sparks.

Reno MSA Single-Family Housing Index

The Reno MSA Single-Family Housing was revised in April 2018 to exclude employment and Housing Opportunity Index series. The revised index declined between July and August 2018.

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 decreased by 0.29% between July and August 2018. The number of new and existing homes sold in the region continues to decrease. This decline in the number of sales is due to a housing supply shortage in the region. Though the index shows an increase in the median price of homes, this is a seasonally adjusted amount. The actual median price declined from \$399,440 in July to \$385,000 in August 2018.



Series	Latest Period- August 2018	Prev. Period- July 2018	Change Prev. Period	Prev. Year- August 2017	Change Prev. Year
New and Existing Homes Sold (Washoe Co., SA)	706	716	-1.48%	730	-3.36%
Median Price of New/Existing Homes (Washoe Co., SA, CPI)	229,222	227,481	0.77%	207,134	10.66%
Housing Index Result	159.72	160.19	-0.29%	154.08	3.66%

The index increased by 3.66% compared to the same period previous year (August 2017 and 2018).

Source: Washoe County Assessor/Center for Regional Studies (UNR).

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