

RENO MSA INDUSTRY TRENDS-SEPTEMBER 2018

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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 September 2018

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

Construction Index September 2018

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

SF Housing Index (Revised) September 2018

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

Business Activity Index						Construction Index						SF Housing Index (Revised)		
September 2018						September 2018						September 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.		
0.27% ↑						4.01% ↑						-0.56% ↓		
% 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	0.32% ↑	-0.26% ↓	0.54% ↑	0.42% ↑	-0.26% ↓	Month to Month	0.68% ↑	12.30% ↑	1.34% ↑	1.16% ↑	3.22% ↑	Month to Month	-1.80% ↓	0.51% ↑
2.65% ↑						9.24% ↑						3.16% ↑		
% 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	3.09% ↑	2.45% ↑	4.94% ↑	5.96% ↑	-4.19% ↓	Year to Year	4.66% ↑	31.91% ↑	-5.03% ↓	6.39% ↑	10.54% ↑	Year to Year	-4.58% ↓	10.81% ↑

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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

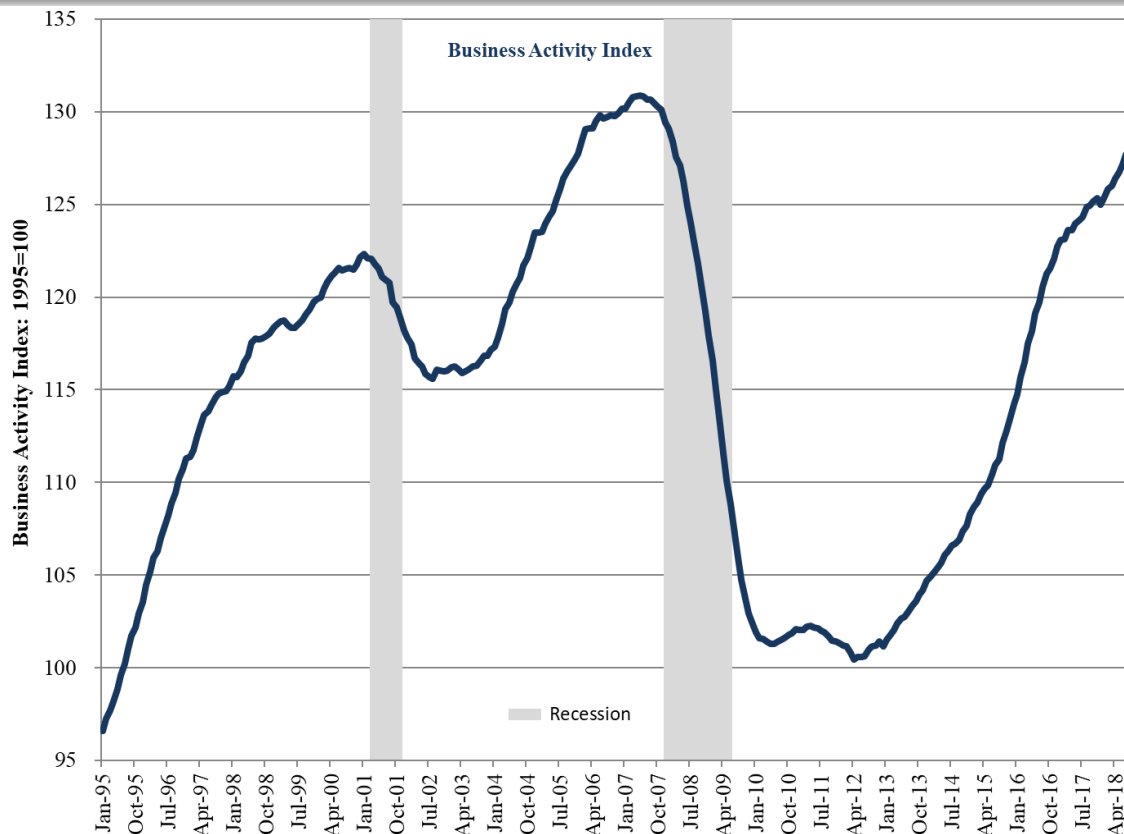
* MSA-Reno Metropolitan Statistical Area * WC-Washoe County * RTIA-Reno Tahoe International Airport *SF-Single Family

Reno MSA Business Activity Index

Reno MSA Business Activity Index increased between August and September 2018, the ninth 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 0.27% increase between August and September 2018. The index increased by 2.65% over the same period last year (September 2017 and 2018).



Series	Latest Period- September 2018	Prev. Period- August 2018	Change Prev. Period	Prev. Year- September 2017	Change Prev. Year
Taxable Sales (Washoe Co., SA, CPI)	437,632,117	436,240,143	0.32%	424,527,058	3.09%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	43,719,531	43,831,356	-0.26%	42,671,969	2.45%
CES Employment (Reno MSA, SA)	236,542	235,267	0.54%	225,408	4.94%
Airport Passengers (Reno Tahoe Airport, SA)	346,766	345,312	0.42%	327,260	5.96%
Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA)	12,408,677	12,440,684	-0.26%	12,951,366	-4.19%
Business Activity Index Result	128.24	127.89	0.27%	124.93	2.65%

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.

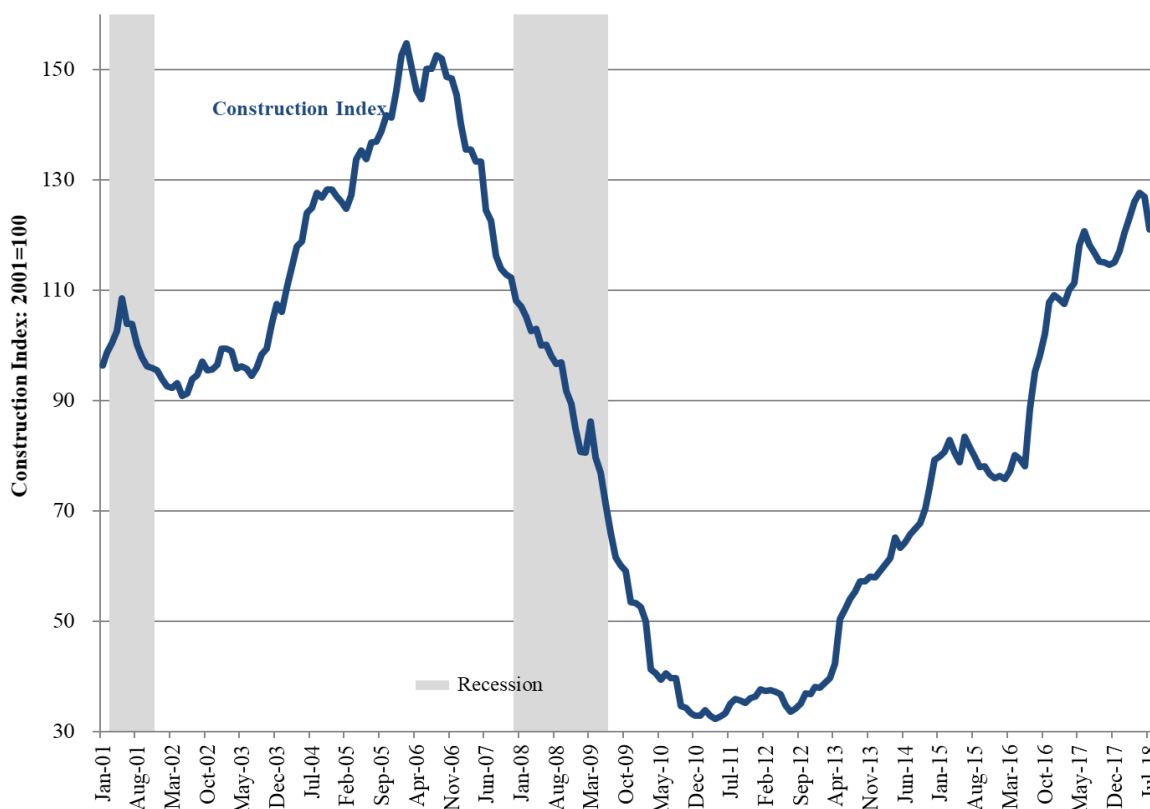
Monthly declines in the index occurred in taxable gaming revenue and airport cargo pounds shipped. Airport cargo data also declined compared to the same period last year.

Reno MSA Construction Index

Reno MSA Construction Index increased by 4.01% between August and September 2018, the second 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 4.01% increase between August and September 2018. Construction employment continues to increase, and in September, all four permit measurements showed a strong increase over the previous month.



Series	Latest Period- September 2018	Prev. Period- August 2018	Change Prev. Period	Prev. Year- September 2017	Change Prev. Year
Reno MSA Construction Employment (SA)	17,217	17,100	0.68%	16,450	4.66%
Washoe Co. Commercial Building Permit Value (SA, CPI)*	37,691,824	33,562,520	12.30%	28,573,452	31.91%
Washoe Co. Commercial Building Permits (SA)*	25.2	24.8	1.34%	27	-5.03%
Washoe Co. Residential Building Permit Value (SA, CPI)*	52,136,463	51,538,736	1.16%	49,003,198	6.39%
Washoe Co. Residential Building Permit Units (SA)*	399	386	3.22%	361	10.54%
Construction Index Result	125.84	120.99	4.01%	115.20	9.24%

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.

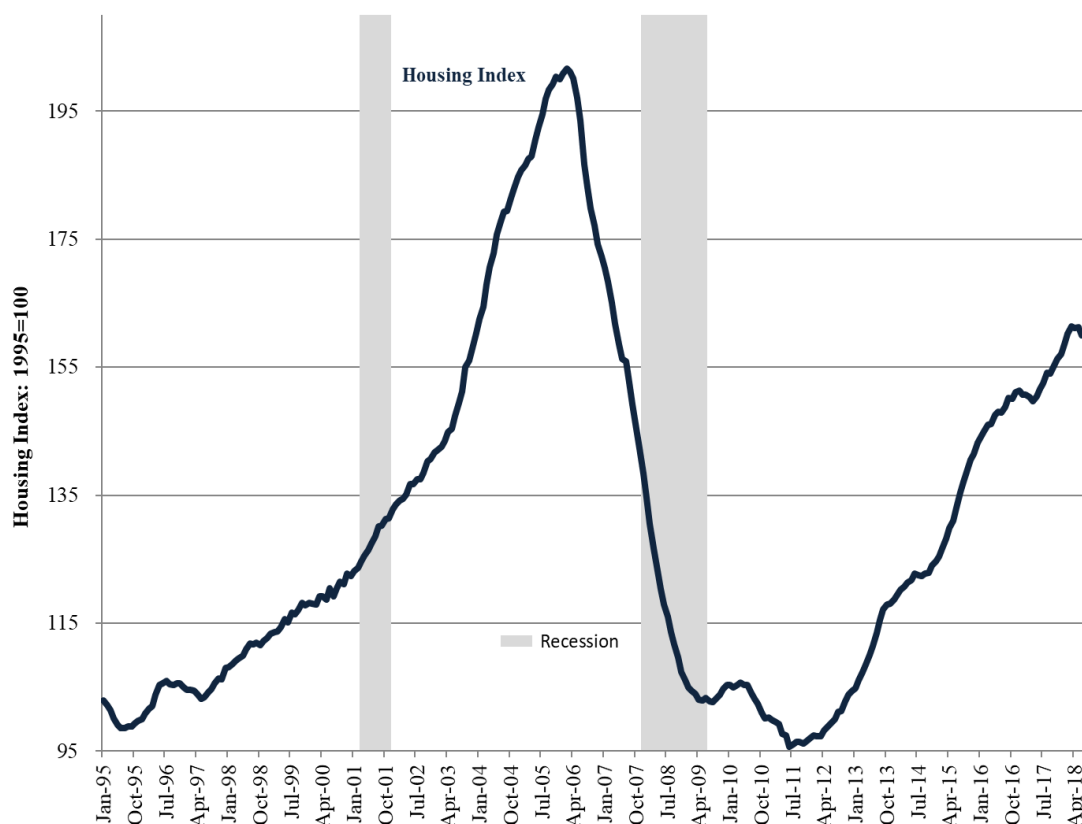
The overall construction industry in the region continues to grow-the index increased by 9.24% from the same period last year (September 2017 and 2018) with a decline only in the commercial building permit counts.

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 August and September 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 0.56% between August and September 2018. The number of new and existing homes sold in the region continued 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 much of the sales decline can now be attributed to growth in home prices, which continue to increase as shown by the index.



Series	Latest Period- September 2018	Prev. Period- August 2018	Change Prev. Period	Prev. Year- September 2017	Change Prev. Year
New and Existing Homes Sold (Washoe Co., SA)	693	706	-1.80%	726	-4.58%
Median Price of New/Existing Homes (Washoe Co., SA, CPI)	230,399	229,222	0.51%	207,920	10.81%
Housing Index Result	158.83	159.72	-0.56%	153.96	3.16%

The index increased by 3.16% compared to the same period previous year (September 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.