

RENO MSA INDUSTRY TRENDS

Published February 2016
Based on data for 4th Quarter 2015

In addition to the Reno MSA leading and coincident indices covering the entire regional economy, Business Activity, Construction, and Housing indexes were created to provide a detailed closer look at major industries within the Reno MSA economy.

Business Activity Index 4Q 2015¹

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

Construction Index 4Q 2015

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

SF Housing Index 4Q 2015²

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

Business Activity Index						Construction Index						SF Housing Index				
4Q 2015 ¹						4Q 2015						4Q 2015 ²				
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.				
1.68% ↑						-3.84% ↓						1.29% ↑				
% 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	Nonfarm Employment	SF Homes Sold	Median Price of SF Homes	Housing Opportunity Index
Quarter to Quarter	2.27% ↑	0.55% ↑	0.73% ↑	2.57% ↑	2.87% ↑	Quarter to Quarter	0.15% ↑	-19.14% ↓	-7.55% ↓	6.80% ↑	5.43% ↑	Quarter to Quarter	0.73% ↑	3.42% ↑	2.71% ↑	0.00% ↓
5.10% ↑						-7.76% ↓						5.08% ↑				
% 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	Nonfarm Employment	SF Homes Sold	Median Price of SF Homes	Housing Opportunity Index
Year to Year	8.16% ↑	3.28% ↑	2.93% ↑	4.05% ↑	7.12% ↑	Year to Year	-0.37% ↓	-36.68% ↓	-18.33% ↓	25.26% ↑	26.64% ↑	Year to Year	2.93% ↑	14.64% ↑	15.29% ↑	-5.20% ↓

¹ Data for taxable sales is unavailable for December 2015 and is estimated based on historical performance. This indicator will be updated as soon as available.

² Housing Opportunity Index data is available for 3Q 2015 only as of the date of this report, 3Q 2015 data is used and will be updated as it becomes available.

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 series are quarterly, 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 series 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

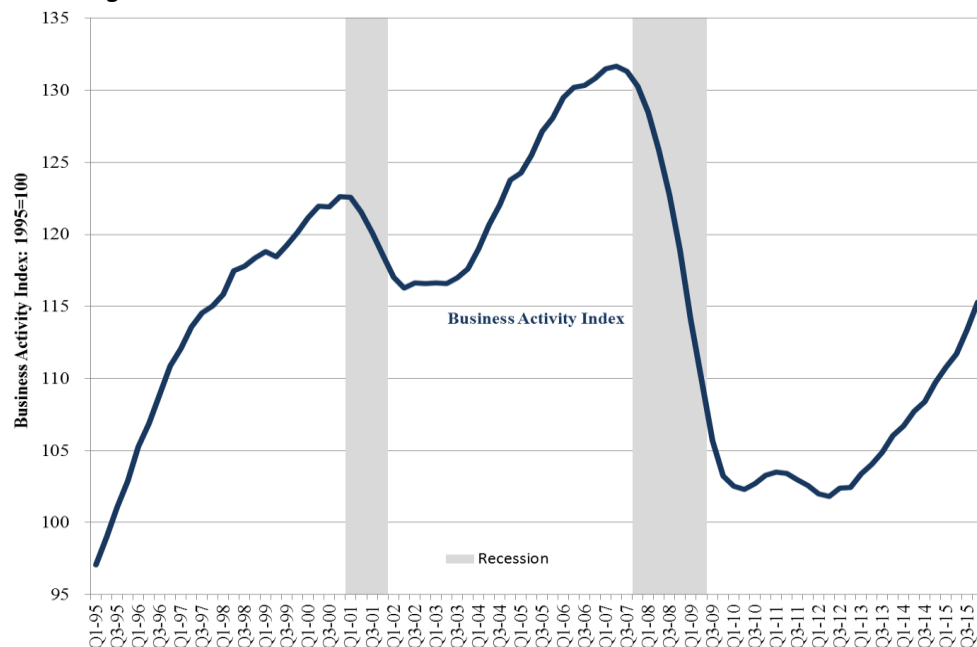
SF Housing Index

- MSA Employment
- WC Single-Family Home Sales
- WC Single Family Median Sales Price
- MSA Housing Opportunity Index

* 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 1.68% between 3Q and 4Q 2015, totaling 14 straight quarters of growth in business activities in the region.



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 indicators more related to residential rather than business activity and all national indicators to arrive at a local business activity index.

The Index shows a 1.68% increase between 3Q and 4Q 2015, the latest period for which all series data are available. The index increased by 5.10% over the same period last year (4Q 2014 to 2015). Business activity in the region increased for 14 straight quarters since 3Q 2012.

Reno MSA Business Activity Index

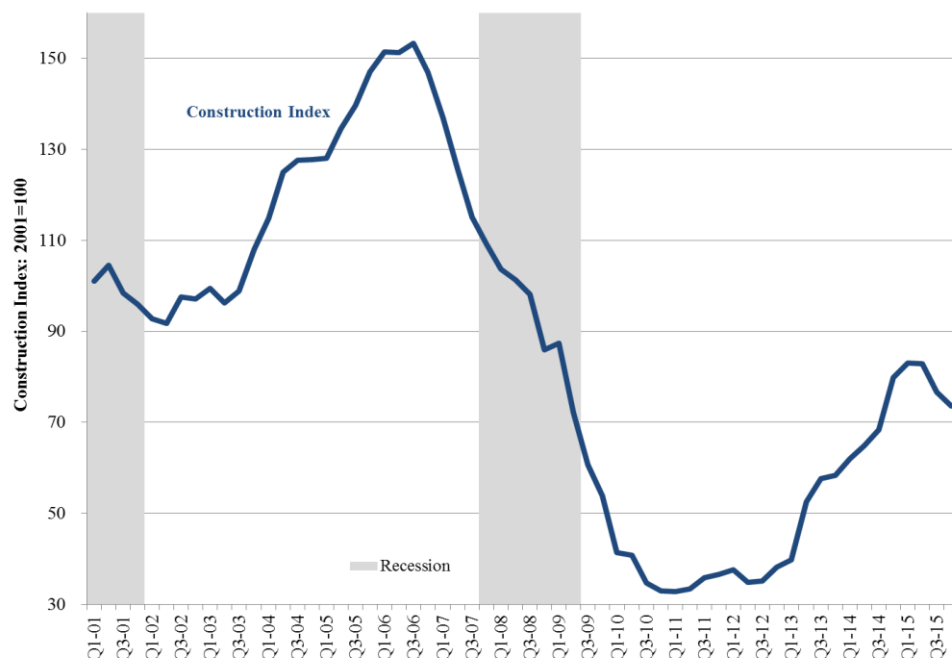
Series	Latest Period- 4Q-2015	Previous Period- 3Q-2015	Change Previous Period	Previous Year- 4Q-2014	Change Previous Year
Taxable Sales (Washoe Co., SA, CPI)	1,148,211,855	1,122,708,296	2.27%	1,061,618,618	8.16%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	124,538,560	123,861,590	0.55%	120,580,243	3.28%
CES Employment (Reno MSA, SA)	208,158	206,658	0.73%	202,242	2.93%
Airport Passengers (Reno Tahoe Airport, SA)	858,164	836,644	2.57%	824,729	4.05%
Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA)	34,569,245	33,605,423	2.87%	32,272,308	7.12%
Business Activity Index Result	115.31	113.41	1.68%	109.71	5.10%

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 decreased by 3.84% between the 3Q and 4Q 2015, indicating a decline in construction activities in the region.



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 quarter, allowing for comparison of trends in the industry over time.

The Index shows a 3.84% decrease between 3Q and 4Q 2015, the latest period for which all series data are available. The index decreased by 7.76% from the same period last year (4Q 2014 to 4Q 2015). Declines in the index in 2Q, 3Q, and 4Q 2015 follow an 11-quarter period of growth which started in 3Q 2012.

Reno MSA Construction Index

Series	Latest Period Q4-15	Previous Period Q3-15	Change Previous Period	Previous Year Q4-14	Change Previous Year
Reno MSA Construction Employment (SA)	11,350	11,333	0.15%	11,392	-0.37%
Washoe Co. Commercial Building Permit Value (SA, CPI)*	43,272,029	53,512,175	-19.14%	68,335,537	-36.68%
Washoe Co. Commercial Building Permits (SA)*	49	53	-7.55%	60	-18.33%
Washoe Co. Residential Building Permit Value (SA, CPI)*	109,153,156	102,202,805	6.80%	87,140,936	25.26%
Washoe Co. Residential Building Permit Units (SA)*	694	658	5.43%	548	26.64%
Construction Index Result	73.69	76.63	-3.84%	79.89	-7.76%

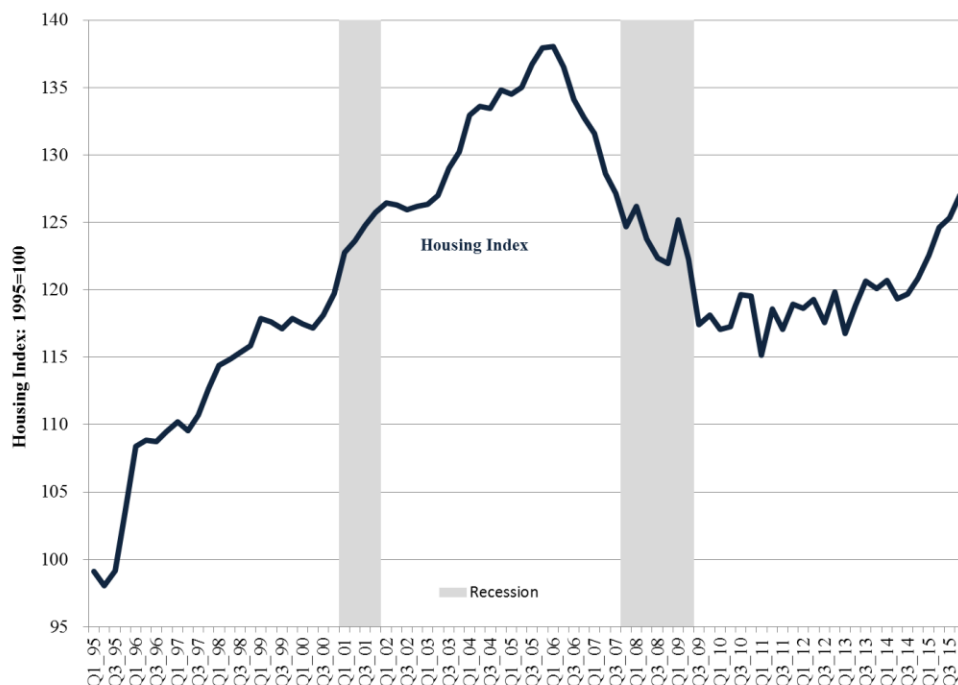
Source: Current Employment Statistics-Bureau of Labor Statistics, Building Departments of City of Reno, City of Sparks, and Washoe County.

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

Reno MSA Single-Family Housing Index increased by 1.29% between 3Q and 4Q 2015, totaling six straight quarters of continued growth in residential housing activities in the region.



The Reno MSA Single-Family Housing Index provides a simplified picture of the residential housing market in the Reno MSA region, including employment, number of home sales, home prices, and home affordability. Currently, no single variable represents housing activity in the area. By combining multiple housing market-related indicators into a single number, the Housing Index represents the state of the housing market each quarter, allowing for comparison of trends in the region over time.

The Index shows a 1.29% increase between 3Q and 4Q 2015, the latest period for which all series data are available. The index increased by 5.08% over the same period last year (4Q 2014 to 2015). The housing market in the region grew for six straight quarters since 3Q 2014.

Reno MSA Single-Family Housing Index

Series	Latest Period- 4Q 2015	Previous Period- 3Q 2015	Change Previous Period	Previous Year- 4Q 2014	Change Previous Year
CES Employment (Reno MSA, SA)	208,158	206,658	0.73%	202,242	2.93%
New and Existing Homes Sold (Washoe Co., SA)	2,093	2,023	3.42%	1,825	14.64%
Median Price of New/Existing Homes (Washoe Co., SA, CPI)	186,284	181,376	2.71%	161,583	15.29%
Housing Opportunity Index (Reno MSA)	52.9	52.9	0.00%	55.8	-5.20%
Housing Index Result	126.97	125.35	1.29%	120.83	5.08%

Source: Current Employment Statistics (CES)-Bureau of Labor Statistics, Washoe County Assessor/Center for Regional Studies (UNR), National Association of Home Builders.

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