

RENO MSA INDUSTRY TRENDS-JANUARY 2016

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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 January 2016

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

Construction Index January 2016

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

SF Housing Index January 2016

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

0.44% ↑

| % Change | Taxable Sales | Taxable Gaming Revenue | Nonfarm Employment | Airport Passengers | Airport Cargo |
|----------------|---------------|------------------------|--------------------|--------------------|---------------|
| Month to Month | 0.07% ↑ | -0.17% ↓ | 0.32% ↑ | 0.39% ↑ | 1.32% ↑ |

0.35% ↑

| % Change | Construction Employment | Commercial Building Permit Valuation | Commercial Building Permits | Residential Building Permit Valuation | Residential Building Permit Units |
|----------------|-------------------------|--------------------------------------|-----------------------------|---------------------------------------|-----------------------------------|
| Month to Month | 0.65% ↑ | 2.75% ↑ | -4.08% ↓ | 1.64% ↑ | 2.34% ↑ |

0.26% ↑

| % Change | Nonfarm Employment | SF Homes Sold | Median Price of SF Homes | Housing Opportunity Index |
|----------------|--------------------|---------------|--------------------------|---------------------------|
| Month to Month | 0.32% ↑ | 0.43% ↑ | 0.25% ↑ | 0.00% |

5.57% ↑

| % Change | Taxable Sales | Taxable Gaming Revenue | Nonfarm Employment | Airport Passengers | Airport Cargo |
|--------------|---------------|------------------------|--------------------|--------------------|---------------|
| Year to Year | 7.35% ↑ | 2.29% ↑ | 3.86% ↑ | 4.29% ↑ | 8.69% ↑ |

-5.31% ↓

| % Change | Construction Employment | Commercial Building Permit Valuation | Commercial Building Permits | Residential Building Permit Valuation | Residential Building Permit Units |
|--------------|-------------------------|--------------------------------------|-----------------------------|---------------------------------------|-----------------------------------|
| Year to Year | 11.07% ↑ | -35.13% ↓ | -21.67% ↓ | 25.75% ↑ | 26.55% ↑ |

5.26% ↑

| % Change | Nonfarm Employment | SF Homes Sold | Median Price of SF Homes | Housing Opportunity Index |
|--------------|--------------------|---------------|--------------------------|---------------------------|
| Year to Year | 3.86% ↑ | 15.08% ↑ | 15.66% ↑ | -8.57% ↓ |

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

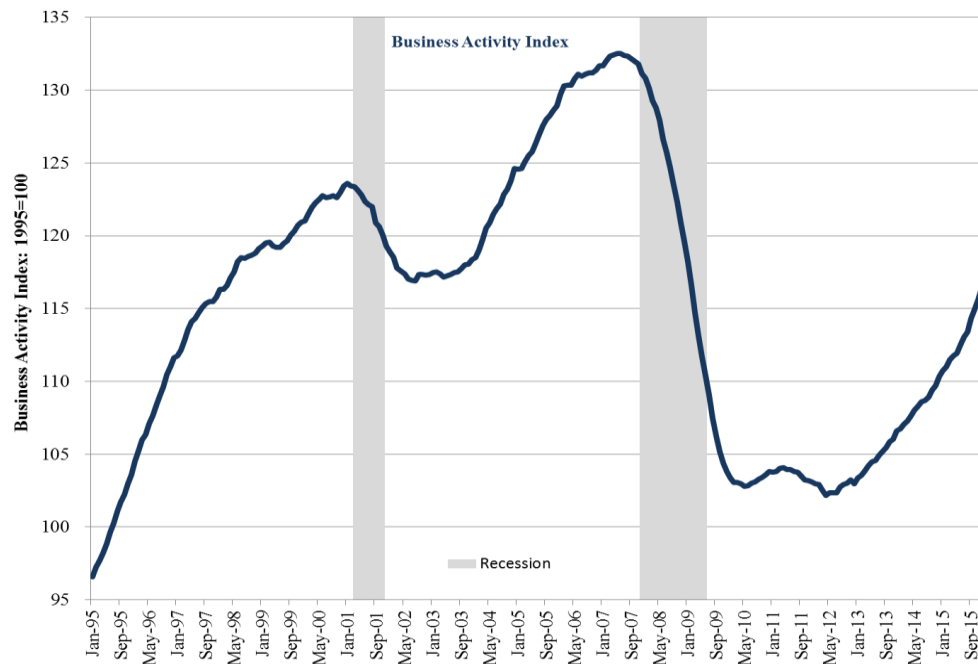
SF Housing Index

- 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 0.44% between December 2015 and January 2016, totaling 37 straight months 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 residential indicators and all national indicators to arrive at a local business activity index.

The Index shows a 0.44% increase between December 2015 and January 2016, the latest period for which all series data are available. The index increased by 5.57% over the same period last year (January 2015 and 2016). Business activity in the region increased for 37 straight months since December 2012.

Reno MSA Business Activity Index

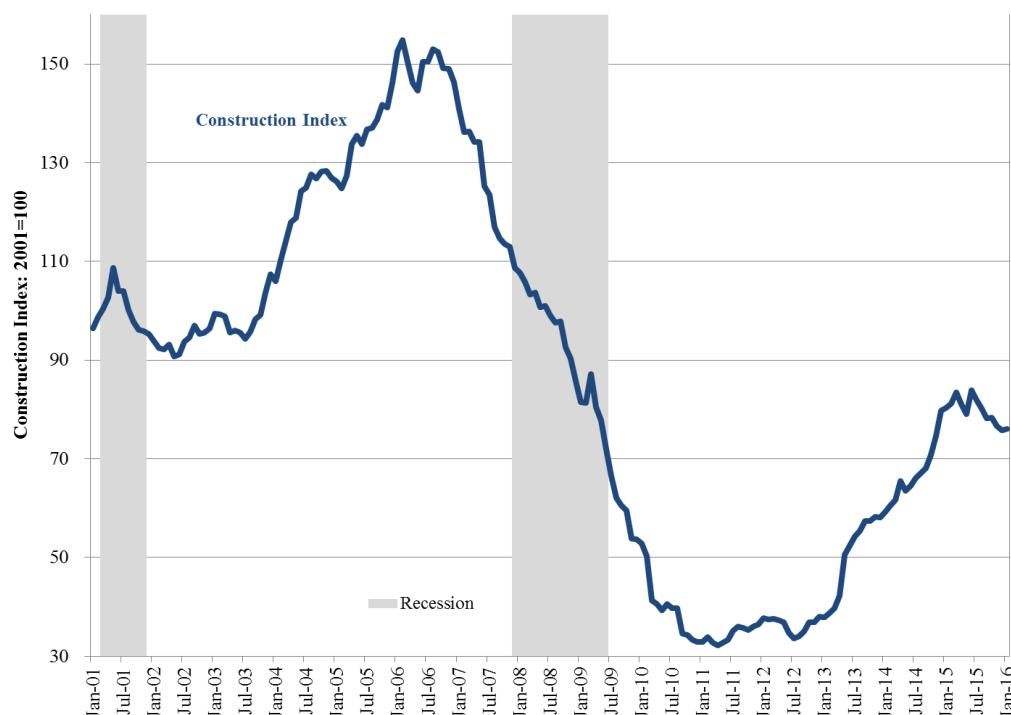
| Series | Latest Period- January 2016 | Previous Period- December 2015 | Change Previous Period | Previous Year- January 2015 | Change Previous Year |
|---|--------------------------------|-----------------------------------|---------------------------|--------------------------------|-------------------------|
| Taxable Sales (Washoe Co., SA, CPI) | 383,259,527 | 382,976,867 | 0.07% | 357,012,833 | 7.35% |
| Taxable Gaming Revenue (Washoe Co., SA, CPI) | 41,442,854 | 41,512,853 | -0.17% | 40,516,068 | 2.29% |
| CES Employment (Reno MSA, SA) | 211,067 | 210,400 | 0.32% | 203,217 | 3.86% |
| Airport Passengers (Reno Tahoe Airport, SA) | 287,163 | 286,055 | 0.39% | 275,359 | 4.29% |
| Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA) | 11,675,213 | 11,523,082 | 1.32% | 10,741,606 | 8.69% |
| Business Activity Index Result | 116.92 | 116.41 | 0.44% | 110.75 | 5.57% |

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 0.35% between December 2015 and January 2016, the first month of index growth after declines in November and December 2015.



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 0.35% increase between December 2015 and January 2016, the latest period for which all series data are available. The index decreased by 5.31% from the same period last year (January 2015 and 2016). The index experienced 7 months of declines in the 9-month period between April and December 2015. January growth ended a two-month period of consecutive declines.

Reno MSA Construction Index

| Series | Latest Period | Previous Period | Change | Previous Year | Change |
|---|---------------|-----------------|-----------------|---------------|---------------|
| | January 2016 | December 2015 | Previous Period | January 2015 | Previous Year |
| Reno MSA Construction Employment (SA) | 12,958 | 12,875 | 0.65% | 11,667 | 11.07% |
| Washoe Co. Commercial Building Permit Value (SA, CPI)* | 14,819,953 | 14,424,010 | 2.75% | 22,845,946 | -35.13% |
| Washoe Co. Commercial Building Permits (SA)* | 16 | 16 | -4.08% | 20 | -21.67% |
| Washoe Co. Residential Building Permit Value (SA, CPI)* | 36,981,392 | 36,384,385 | 1.64% | 29,407,865 | 25.75% |
| Washoe Co. Residential Building Permit Units (SA)* | 237 | 231 | 2.34% | 187 | 26.55% |
| Construction Index Result | 76.10 | 75.83 | 0.35% | 80.37 | -5.31% |

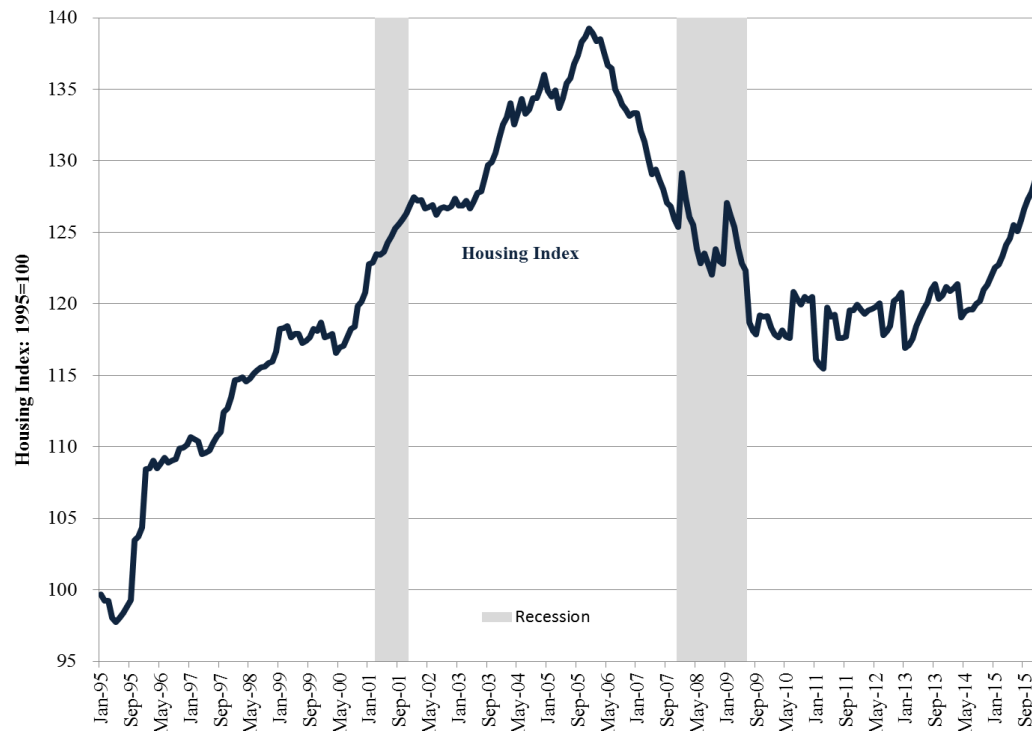
Source: Current Employment Statistics-Bureau of Labor Statistics, Building Departments of City of Reno, City of Sparks, and Washoe County.

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 0.26% between December 2015 and January 2016, totaling six straight months 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 month, allowing for comparison of trends in the region over time.

The Index shows a 0.26% increase between December 2015 and January 2016, the latest period for which all series data are available. The index increased by 5.26% over the same period last year (January 2015 and 2016). The housing market in the region grew for six straight months since August 2015.

Reno MSA Single-Family Housing Index

| Series | Latest Period- January 2016 | Previous Period- December 2015 | Change Previous Period | Previous Year- January 2015 | Change Previous Year |
|--|--------------------------------|-----------------------------------|---------------------------|--------------------------------|-------------------------|
| CES Employment (Reno MSA, SA) | 211,067 | 210,400 | 0.32% | 203,217 | 3.86% |
| New and Existing Homes Sold (Washoe Co., SA) | 706 | 703 | 0.43% | 614 | 15.08% |
| Median Price of New/Existing Homes (Washoe Co., SA, CPI) | 191,348 | 190,873 | 0.25% | 165,440 | 15.66% |
| Housing Opportunity Index (Reno MSA)-estimated | 52.3 | 52.3 | 0.00% | 57.2 | -8.57% |
| Housing Index Result | 128.97 | 128.63 | 0.26% | 122.52 | 5.26% |

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.