

# RENO MSA INDUSTRY TRENDS-FEBRUARY 2018






Published April 2018


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






## Business Activity Index February 2018

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

0.27% 

	Taxable Sales	Taxable Gaming Revenue	Nonfarm Employment	Airport Passengers	Airport Cargo
% Change Month to Month	0.17% 	0.41% 	0.44% 	0.69% 	-0.26% 






2.13% 


	Taxable Sales	Taxable Gaming Revenue	Nonfarm Employment	Airport Passengers	Airport Cargo
% Change Year to Year	3.27% 	2.69% 	2.88% 	10.04% 	-4.74% 






## Construction Index February 2018

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

1.43% 


	Construction Employment	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units
% Change Month to Month	0.30% 	-0.19% 	-1.20% 	4.15% 	4.75% 




9.46% 

	Construction Employment	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units
% Change Year to Year	13.76% 	-3.54% 	-27.70% 	49.46% 	61.80% 





## SF Housing Index February 2018

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

0.58% 

	Nonfarm Employment	SF Homes Sold	Median Price of SF Homes	Housing Opportunity Index
% Change Month to Month	0.44% 	0.98% 	1.13% 	0.00%

-0.52% 

	Nonfarm Employment	SF Homes Sold	Median Price of SF Homes	Housing Opportunity Index
% Change Year to Year	2.88% 	4.76% 	7.95% 	-42.43% 

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

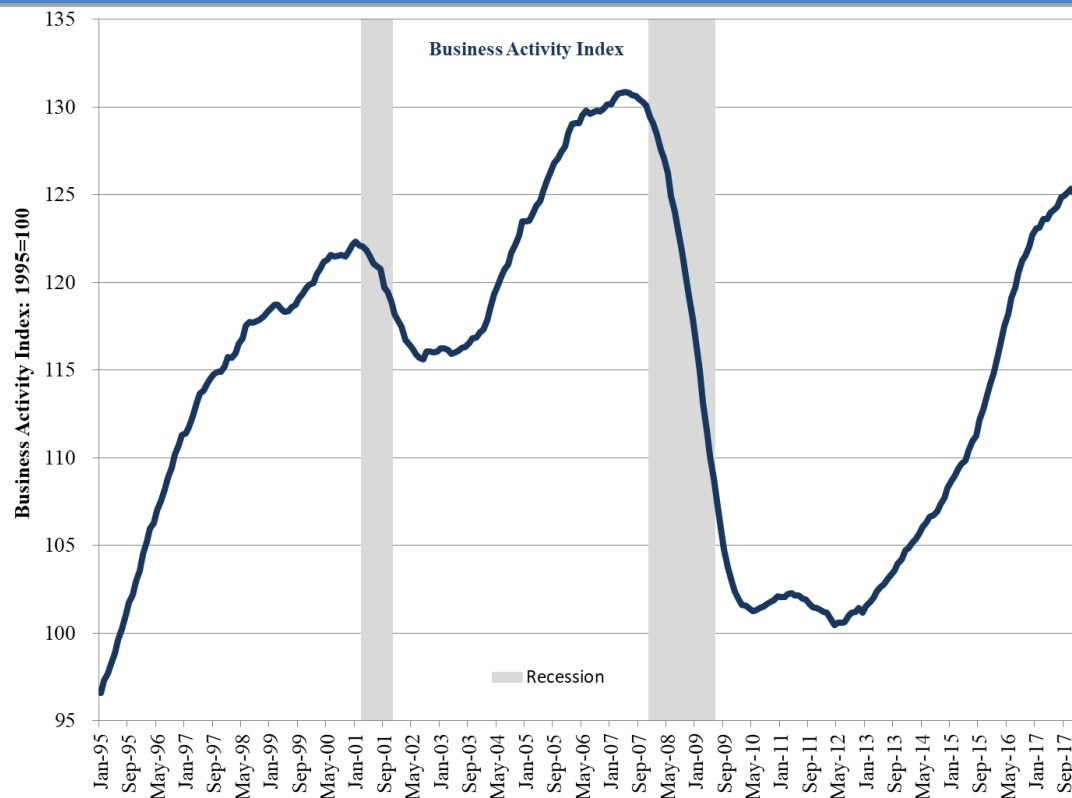
\* MSA-Reno Metropolitan Statistical Area \* WC-Washoe County \* RTIA-Reno Tahoe International Airport \*SF-Single Family

## Reno MSA Business Activity Index

Reno MSA Business Activity Index increased between January and February 2018, the second month of growth after a (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 and airport cargo pounds shipped data for this index is projected using average 12-month, year-over-year change for the variable.

The Index shows 0.27% increase between January and February 2018. The index increased by 2.13% over the same period last year (February 2017 and 2018). As



Series	Latest Period- February 2018	Prev. Period- January 2018	Change Prev. Period	Prev. Year- February 2017	Change Prev. Year
Taxable Sales (Washoe Co., SA, CPI)	429,233,270	428,514,046	0.17%	415,652,815	3.27%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	43,306,275	43,128,413	0.41%	42,170,839	2.69%
CES Employment (Reno MSA, SA)	228,275	227,267	0.44%	221,875	2.88%
Airport Passengers (Reno Tahoe Airport, SA)	338,576	336,262	0.69%	307,670	10.04%
Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA)	12,565,619	12,598,716	-0.26%	13,191,123	-4.74%
<b>Business Activity Index Result</b>	<b>125.74</b>	<b>125.41</b>	<b>0.27%</b>	<b>123.12</b>	<b>2.13%</b>

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.

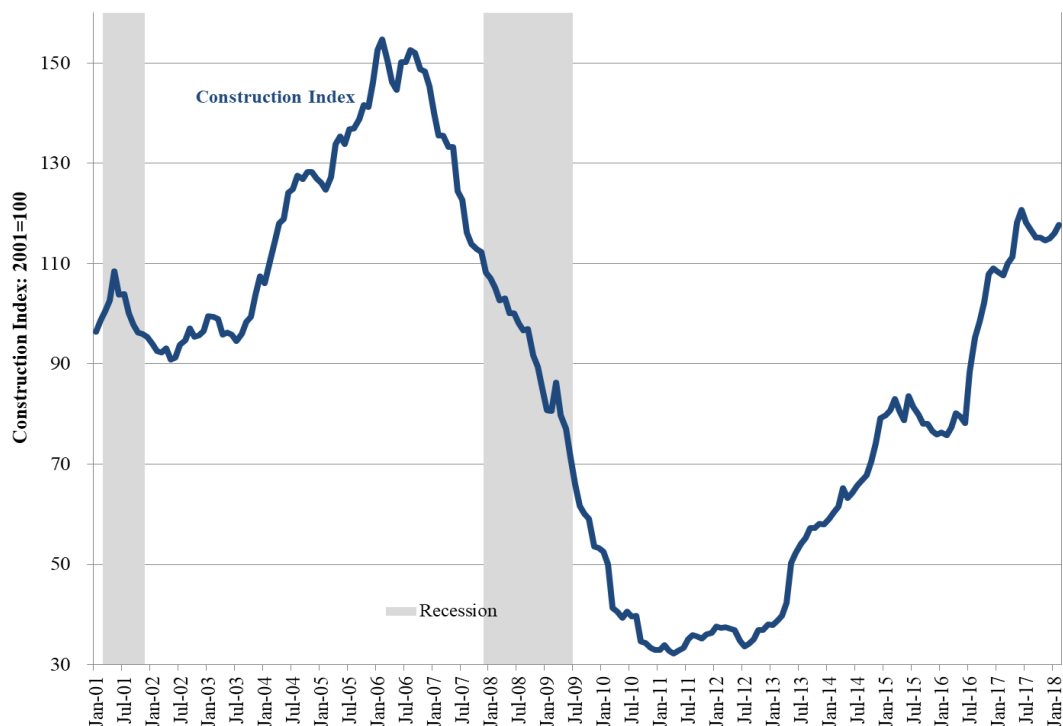
discussed with the leading index, the airport cargo pounds shipped variable declined in the past few months, but will only become a concern if it continues in the long run.

# Reno MSA Construction Index

Reno MSA Construction Index increased by 1.43% between January and February 2018, the third increase since a five-month decline in the index since July 2017.

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 1.43% increase between January and February 2018. It should be noted that only two weeks of Washoe County building permit data was available as of the date of this report, resulting in an estimate of February permit data for the County.



The region has again experienced a decline in the commercial building permit series; both the number of permits issued and permit valuation. Some of the decline is due to high levels of growth in construction permits in early 2017, with 2018 amount not keeping up with last year's growth. The construction industry in the region is still growing at a high rate, with the index increasing by 9.46% from the same period last year (February 2017 and 2018).

Series	Latest Period- February 2018	Prev. Period- January 2018	Change Prev. Period	Prev. Year- February 2017	Change Prev. Year
Reno MSA Construction Employment (SA)	16,950	16,900	0.30%	14,900	13.76%
Washoe Co. Commercial Building Permit Value (SA, CPI)*	27,874,265	27,928,272	-0.19%	28,898,054	-3.54%
Washoe Co. Commercial Building Permits (SA)*	21	21	-1.20%	29	-27.70%
Washoe Co. Residential Building Permit Value (SA, CPI)*	58,885,475	56,538,199	4.15%	39,398,999	49.46%
Washoe Co. Residential Building Permit Units (SA)*	456	435	4.75%	282	61.80%
<b>Construction Index Result</b>	<b>117.75</b>	<b>116.09</b>	<b>1.43%</b>	<b>107.57</b>	<b>9.46%</b>

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

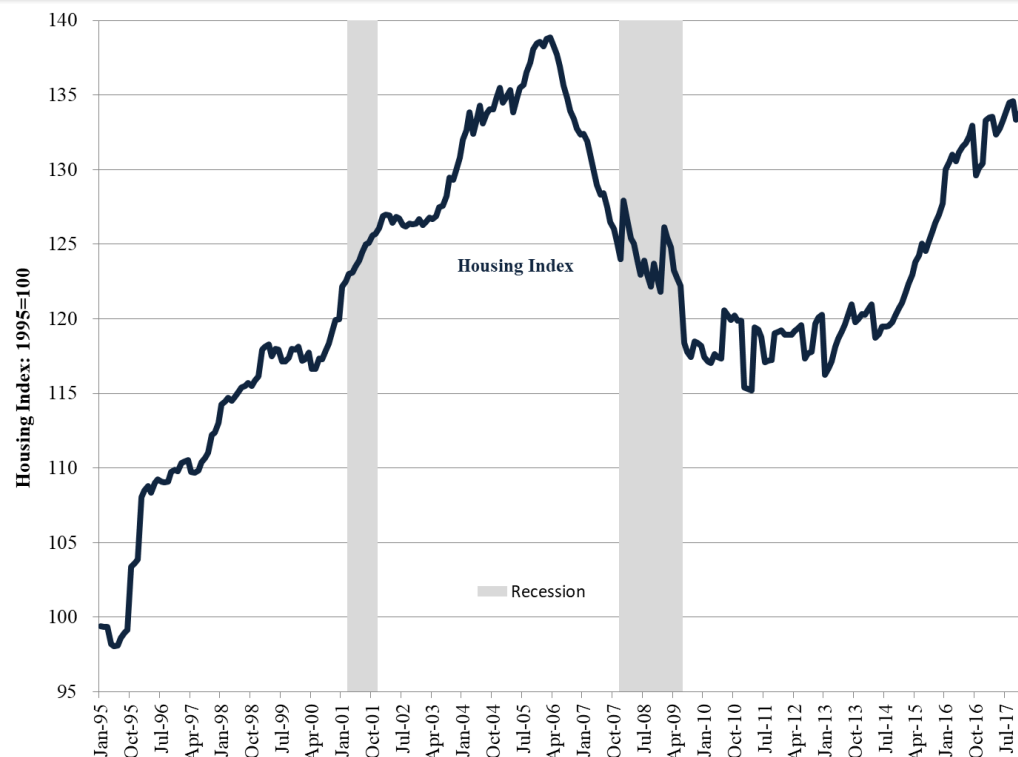
SA-Series results are seasonally adjusted. CPI-Series results are adjusted for inflation to 2001.

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

# Reno MSA Single-Family Housing Index

Reno MSA Single-Family Housing Index increased between January and February 2018, the first increase in the index after a decline due to the decline in the Housing Opportunity Index (HOI) series, a quarterly series.

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 Single Family Housing Index represents the state of the housing market each month, allowing for comparison of trends in the region over time.



The index increased by 0.58% between January and February 2018. The index declined by 0.52% compared to the same period previous year (February 2017 and 2018). Other than the decline caused by the HOI series, all other housing variables contained in this report show

Series	Latest Period- February 2018	Prev. Period- January 2018	Change Prev. Period	Prev. Year- February 2017	Change Prev. Year
CES Employment (Reno MSA, SA)	228,275	227,267	0.44%	221,875	2.88%
New and Existing Homes Sold (Washoe Co., SA)	750	743	0.98%	716	4.76%
Median Price of New/Existing Homes (Washoe Co., SA, CPI)	218,022	215,579	1.13%	201,970	7.95%
Housing Opportunity Index (Reno MSA)-estimated	30.8	30.8	0.00%	53.5	-42.43%
<b>Housing Index Result</b>	<b>132.78</b>	<b>132.01</b>	<b>0.58%</b>	<b>133.48</b>	<b>-0.52%</b>

growth in the housing sector in the Reno Sparks MSA.

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.