

RENO MSA INDUSTRY TRENDS-FEBRUARY 2019

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

Please note weights for all indices were updated in March to include data through December 2018 to ensure each index is based on the most current and long-term historical data available.

Business Activity Index February 2019

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

0.24% ↑

% Change	Taxable Sales	Taxable Gaming Revenue	Nonfarm Employment	Airport Passengers	Airport Cargo
Month to Month	0.32% ↑	-0.77% ↓	0.47% ↑	0.24% ↑	0.10% ↑

3.25% ↑

% Change	Taxable Sales	Taxable Gaming Revenue	Nonfarm Employment	Airport Passengers	Airport Cargo
Year to Year	2.89% ↑	0.32% ↑	5.69% ↑	4.88% ↑	-0.95% ↓

Construction Index February 2019

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

-1.11% ↓

% Change	Construction Employment	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units
Month to Month	0.60% ↑	1.71% ↑	-3.94% ↓	-2.24% ↓	-3.61% ↓

1.08% ↑

% Change	Construction Employment	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units
Year to Year	6.26% ↑	29.00% ↑	-0.74% ↓	-13.89% ↓	-18.58% ↓

SF Housing Index February 2019

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

-0.78% ↓

% Change	SF Homes Sold	Median Price of SF Homes
Month to Month	-1.74% ↓	0.004% ↑

-2.97% ↓

% Change	SF Homes Sold	Median Price of SF Homes
Year to Year	-13.59% ↓	7.63% ↑

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

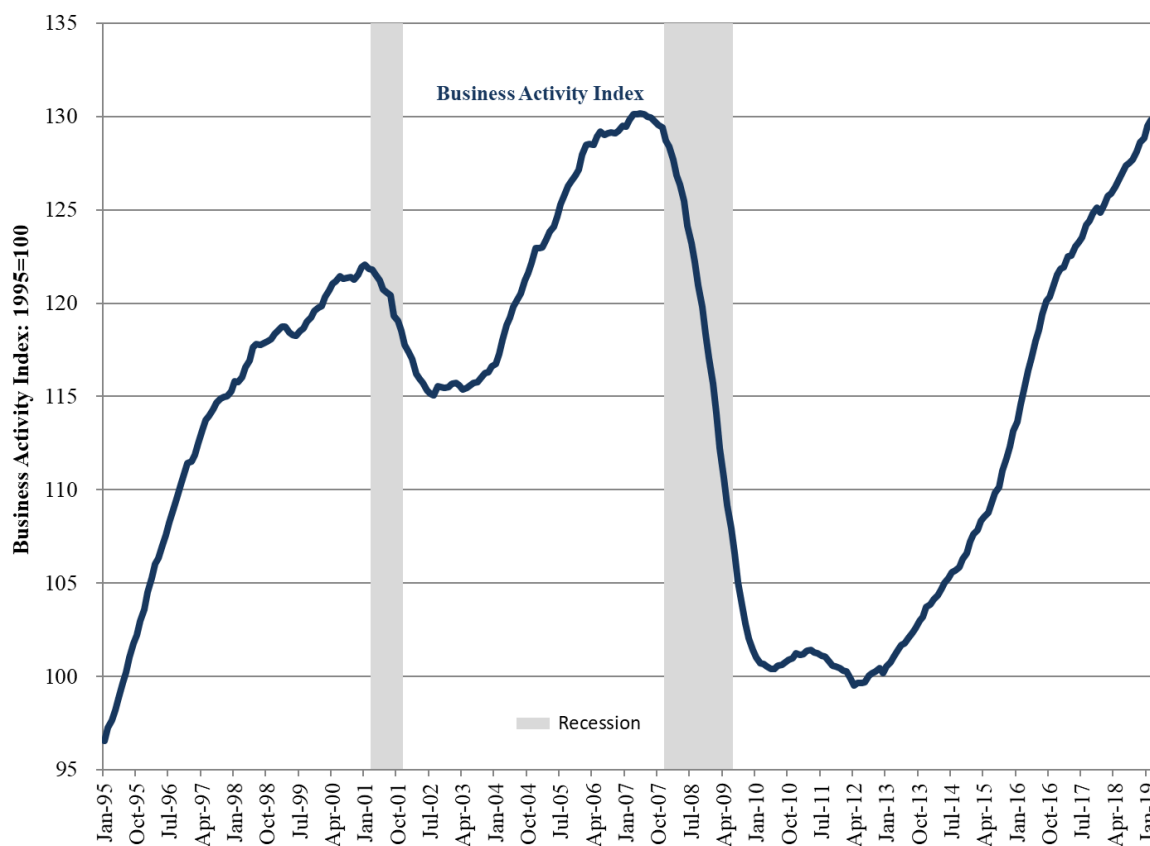
* MSA-Reno Metropolitan Statistical Area * WC-Washoe County * RTIA-Reno Tahoe International Airport *SF-Single Family

Reno MSA Business Activity Index

Reno MSA Business Activity Index increased between January and February 2019, the fourteenth month of growth after a small (0.20%) 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 0.24% increase between January and February 2019. The index increased by 3.25% over the same period last year (February 2018 and 2019).



Series	Latest Period- February 2019	Prev. Period- January 2019	Change Prev. Period	Prev. Year- February 2018	Change Prev. Year
Taxable Sales (Washoe Co., SA, CPI)	443,881,133	442,461,262	0.32%	431,403,652	2.89%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	43,443,330	43,779,178	-0.77%	43,306,275	0.32%
CES Employment (Reno MSA, SA)	246,575	245,433	0.47%	233,308	5.69%
Airport Passengers (Reno Tahoe Airport, SA)	353,595	352,755	0.24%	337,128	4.88%
Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA)	12,429,110	12,417,311	0.10%	12,548,251	-0.95%
Business Activity Index Result	129.80	129.49	0.24%	125.72	3.25%

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.

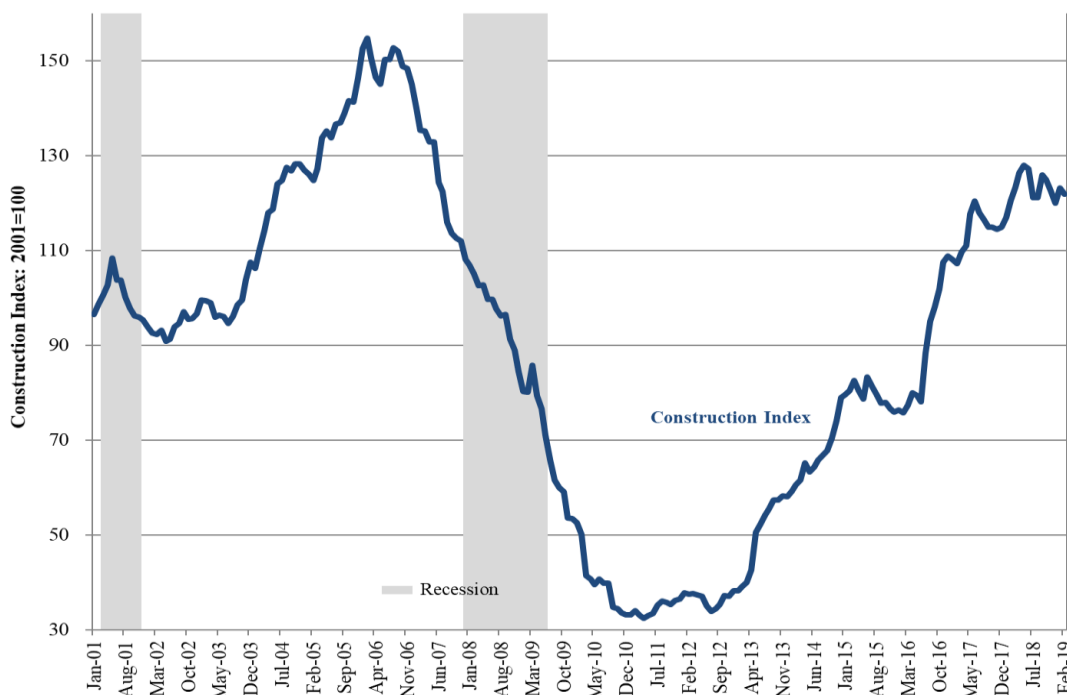
Airport cargo shipped data showed an increase after multiple periods of decline. A small decline occurred in monthly taxable gaming revenue series. Other series continue to show positive growth.

Reno MSA Construction Index

Reno MSA Construction Index increased between January and February 2019, the first decline after an increase in January 2019.

It should be noted City of Reno building permit data was not available for February 2019 and was estimated using historical data. Actual amounts were available for City of Sparks and Washoe County and are reflected in the index. Once available, the index will be updated to include actual City of Reno data.

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 decline of 1.11% between January and February 2019. Construction employment in the region continues to increase. However, the number of commercial permits declined compared to the previous month, while the permit valuation increased.

Series	Latest Period- February 2019	Prev. Period- January 2019	Change Prev. Period	Prev. Year- February 2018	Change Prev. Year
Reno MSA Construction Employment (SA)	18,242	18,133	0.60%	17,167	6.26%
Washoe Co. Commercial Building Permit Value (SA, CPI)*	37,250,217	36,623,727	1.71%	28,877,100	29.00%
Washoe Co. Commercial Building Permits (SA)*	22.3	23.3	-3.94%	23	-0.74%
Washoe Co. Residential Building Permit Value (SA, CPI)*	50,704,315	51,868,077	-2.24%	58,885,475	-13.89%
Washoe Co. Residential Building Permit Units (SA)*	371	385	-3.61%	456	-18.58%
Construction Index Result	121.81	123.18	-1.11%	120.50	1.08%

Both residential permit series declined compared to the previous month and same month previous year. The index increased by 1.08% compared to the same month in the previous year (February 2018 and 2019).

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.

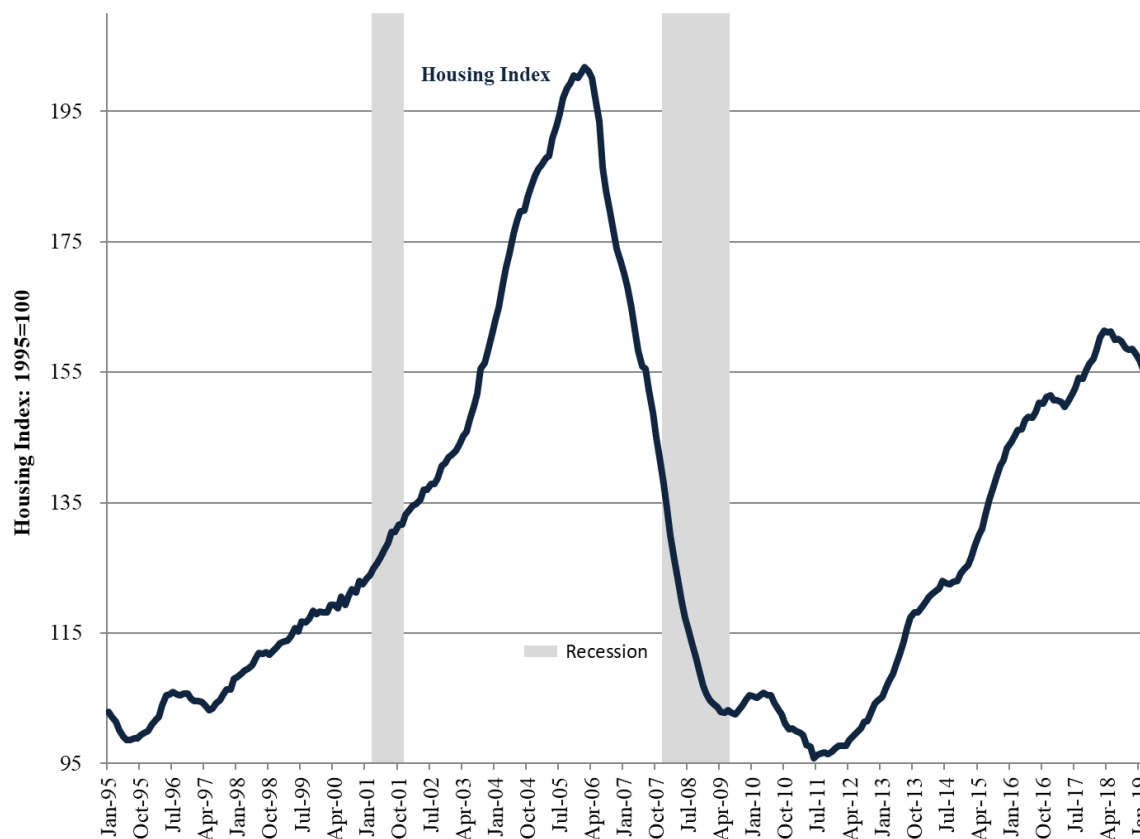
Reno MSA Single-Family Housing Index

The Reno MSA Single-Family Housing index declined between January and February 2019, the third decline following a one-month increase in November 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 index declined by 0.78% between January and February 2019 and also by 2.97% compared to the same period previous year (February 2018 and 2019) as the number of new and existing homes sold in the region continues to decline.

New home sales fell from 113 in February 2018 to 102 in February 2019. Existing home sales declined from 489 in February 2018 to 362 in February 2019. 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 of the sales decline can now be attributed to growth in home prices and resulting affordability issues. Median home prices grew between January and February 2019 from \$380,000 to \$385,000. New home prices increased during this period from \$480,067 to

Series	Latest Period- February 2019	Prev. Period- January 2019	Change Prev. Period	Prev. Year- February 2018	Change Prev. Year	\$483,173, while existing home prices increased from \$355,000 to \$362,500.
New and Existing Homes Sold (Washoe Co., SA)	648	660	-1.74%	750	-13.59%	
Median Price of New/Existing Homes (Washoe Co., SA, CPI)	234,661	234,650	0.004%	218,022	7.63%	
Housing Index Result	155.53	156.75	-0.78%	160.29	-2.97%	

Source: Washoe County Assessor/Center for Regional Studies (UNR).
SA-Series results are seasonally adjusted. CPI-Series results are adjusted for inflation to 1995.