

# RENO MSA INDUSTRY TRENDS-APRIL 2017

Published May 2017

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 April to include data through December 2016 to ensure each index is based on the most current data and long-term historical data available.*

## Business Activity Index April 2017

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

## Construction Index April 2017

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

## SF Housing Index April 2017

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

Business Activity Index						Construction Index						SF Housing Index				
0.20% ↑						0.84% ↑						-1.05% ↓				
% 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
Month to Month	0.50% ↑	-0.35% ↓	0.22% ↑	0.76% ↑	-0.23% ↓	Month to Month	0.29% ↑	-5.30% ↓	3.48% ↑	1.89% ↑	6.39% ↑	Month to Month	0.22% ↑	-1.33% ↓	-0.77% ↓	-8.41% ↓
5.46% ↑						37.81% ↑						1.27% ↑				
Year to Year	6.06% ↑	0.58% ↑	4.26% ↑	6.50% ↑	8.45% ↑	Year to Year	7.16% ↑	58.32% ↑	84.02% ↑	10.07% ↑	36.07% ↑	Year to Year	4.26% ↑	-1.19% ↓	4.82% ↑	-12.66% ↓

**EKAY** | ECONOMIC CONSULTANTS

Eugenia Larmore  
(775) 232-7203  
eugenia@ekayconsultants.com

**N** Center For Regional Studies  
College of Business  
University of Nevada, Reno

Brian Bonnenfant  
(775) 784-1771  
bonnen@unr.edu

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

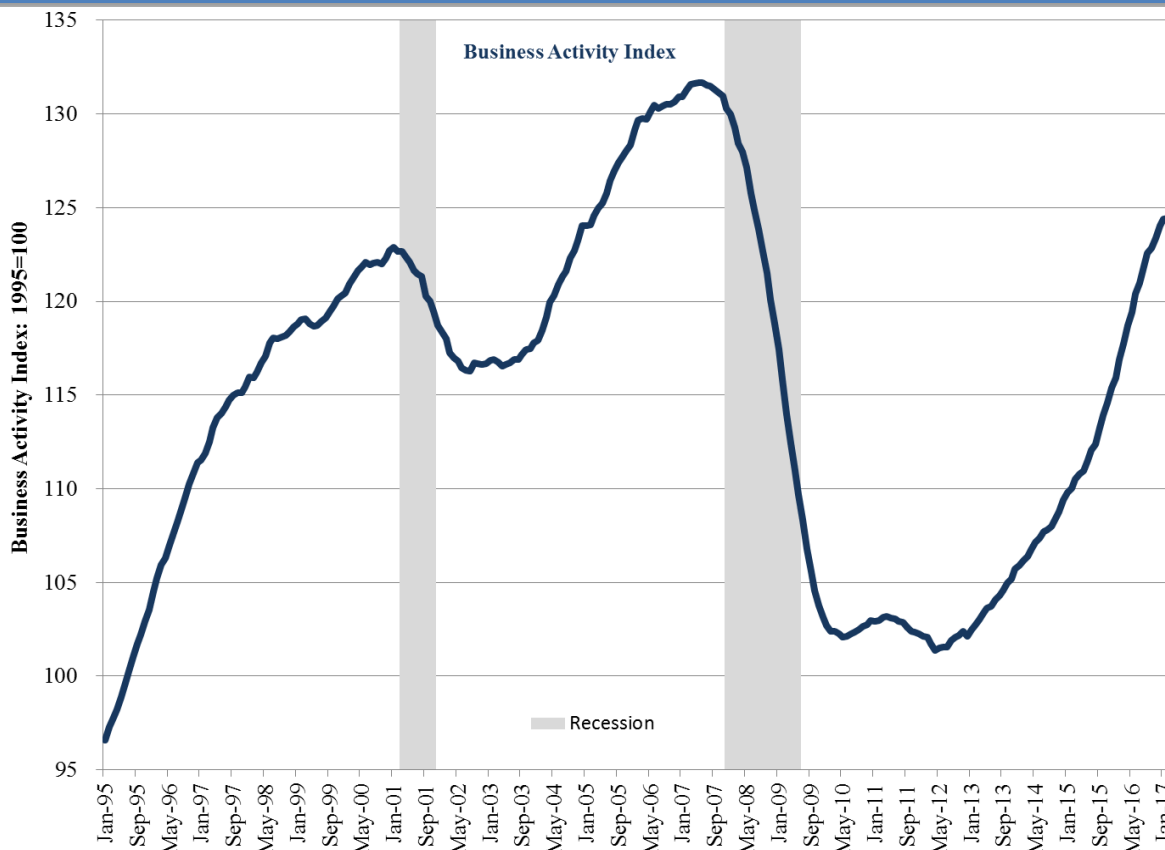
\* MSA-Reno Metropolitan Statistical Area \* WC-Washoe County \* RTIA-Reno Tahoe International Airport \*SF-Single Family

## Reno MSA Business Activity Index

Reno MSA Business Activity Index increased between March and April 2017, totaling 52 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. 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 0.20% increase between



Reno MSA Business Activity Index

Series	Latest Period- April 2017	Prev.Period- March 2017	Change Prev. Period	Prev. Year- April 2016	Change Prev. Year
Taxable Sales (Washoe Co., SA, CPI)	419,370,609	417,272,255	0.50%	395,399,119	6.06%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	42,222,226	42,369,244	-0.35%	41,976,735	0.58%
CES Employment (Reno MSA, SA)	222,950	222,450	0.22%	213,833	4.26%
Airport Passengers (Reno Tahoe Airport, SA)	313,508	311,144	0.76%	294,365	6.50%
Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA)	13,210,073	13,240,639	-0.23%	12,181,332	8.45%
<b>Business Activity Index Result</b>	<b>125.22</b>	<b>124.96</b>	<b>0.20%</b>	<b>118.73</b>	<b>5.46%</b>

March and April 2017. The index increased by 5.46% over the same period last year (April 2016 and 2017). Business activity in the region increased for 52 straight months since December 2012.

Source: Nevada Department of Taxation, Nevada Gaming Control Board, Current Employment Statistics (CES)-Bureau of Labor Statistics, and Reno-Tahoe International Airport.

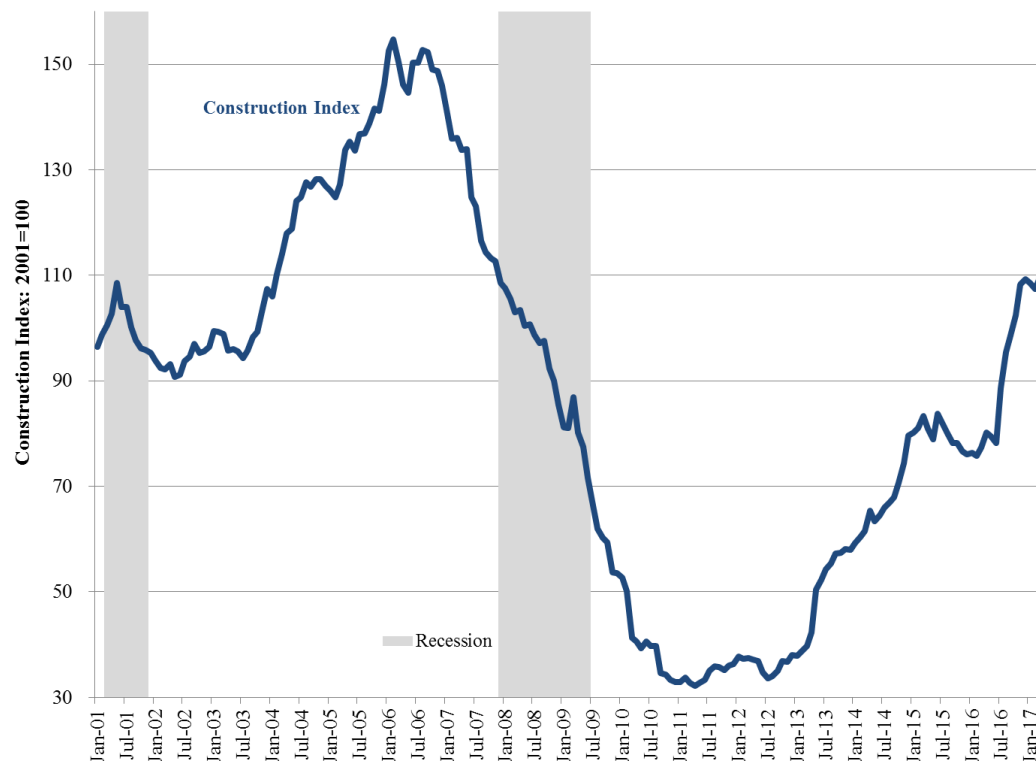
SA-Series results are seasonally adjusted. CPI-Series results are adjusted for inflation to 1995.

# Reno MSA Construction Index

Reno MSA Construction Index increased by 0.84% between March and April 2017, the second month of positive index growth after a two-month index decline in January and February 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 0.84% increase between March and April 2017. The index increased by 37.81% from the same period last year (April 2016 and 2017). This is the second month of positive index growth after a decline in January and February 2017.



Reno MSA Construction Index

Series	Latest Period- April 2017	Prev.Period- March 2017	Change Prev. Period	Prev. Year- April 2016	Change Prev. Year
Reno MSA Construction Employment (SA)	14,592	14,550	0.29%	13,617	7.16%
Washoe Co. Commercial Building Permit Value (SA, CPI)*	28,501,908	30,097,561	-5.30%	18,002,851	58.32%
Washoe Co. Commercial Building Permits (SA)*	30	29	3.48%	16	84.02%
Washoe Co. Residential Building Permit Value (SA, CPI)*	40,668,463	39,914,396	1.89%	36,947,336	10.07%
Washoe Co. Residential Building Permit Units (SA)*	316	297	6.39%	232	36.07%
<b>Construction Index Result</b>	<b>110.53</b>	<b>109.60</b>	<b>0.84%</b>	<b>80.20</b>	<b>37.81%</b>

All building permit data, which was unavailable at the beginning of 2017, is now being provided on a consistent basis, so the original index methodology and series is again being used.

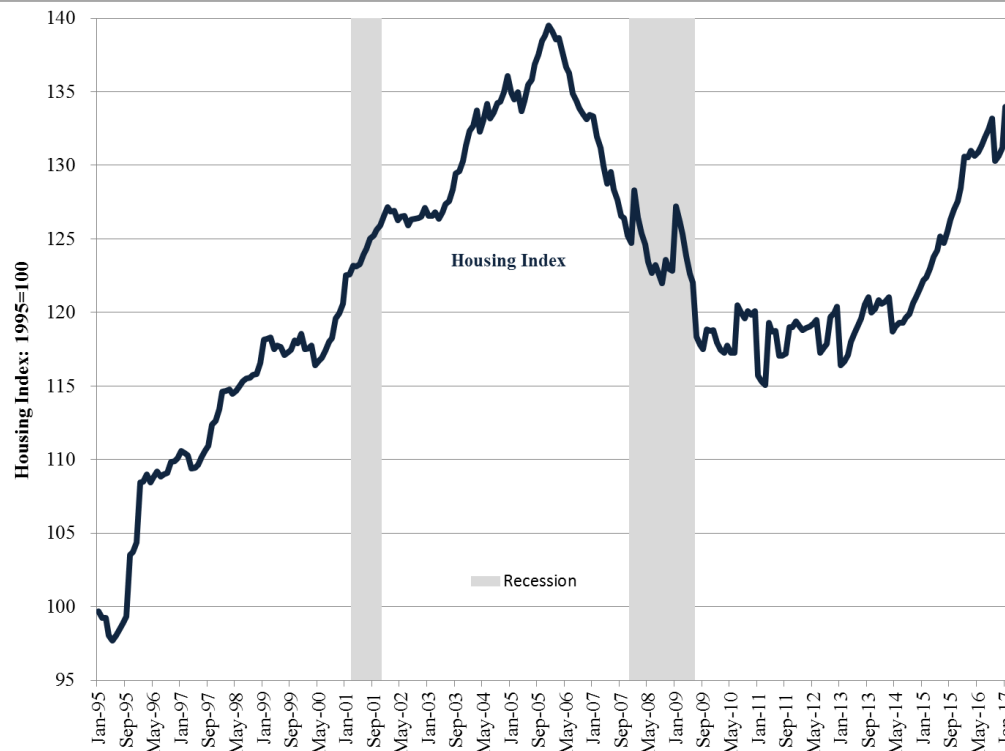
Source: Current Employment Statistics-Bureau of Labor Statistics and Building Departments of City of Reno, City of Sparks, and Washoe County.  
 SA-Series results are seasonally adjusted. CPI-Series results are adjusted for inflation to 2001.  
 \*Includes data for Washoe County, City of Reno, and City of Sparks.

# Reno MSA Single-Family Housing Index

Reno MSA Single-Family Housing Index decreased between March and April 2017, following a fluctuating trend in this index.

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 declined by 1.05% between March and April 2017, after a small decline (0.31%) in February 2017 and a slight increase (0.11%) in March 2017. The decline is due to a drop in the number of homes sold, median price of homes sold (adjusted for seasonality and CPI), and Housing Opportunity Index. The drop in the



number of homes sold is likely due, in part, to affordability issues, as shown by the decline in the Housing Opportunity Index. Actual median prices (not adjusted for seasonality or CPI, increased by 2.1% between March and April 2017, further supporting this assumption.

**Reno MSA Single-Family Housing Index**

Series	Latest Period- April 2017	Prev.Period- March 2017	Change Prev. Period	Prev. Year- April 2016	Change Prev. Year
CES Employment (Reno MSA, SA)	222,950	222,450	0.22%	213,833	4.26%
New and Existing Homes Sold (Washoe Co., SA)	701	710	-1.33%	709	-1.19%
Median Price of New/Existing Homes (Washoe Co., SA, CPI)	200,518	202,065	-0.77%	191,289	4.82%
Housing Opportunity Index (Reno MSA)-estimated	49.0	53.5	-8.41%	56.1	-12.66%
<b>Housing Index Result</b>	<b>132.32</b>	<b>133.72</b>	<b>-1.05%</b>	<b>130.65</b>	<b>1.27%</b>

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.