

RENO MSA INDUSTRY TRENDS-MARCH 2019

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

Business Activity Index March 2019

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

Construction Index March 2019

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

SF Housing Index March 2019

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

Business Activity Index						Construction Index					SF Housing Index			
% 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	SF Homes Sold	Median Price of SF Homes
Month to Month	0.24% ↑	-0.13% ↓	0.47% ↑	0.64% ↑	-0.86% ↓	Month to Month	0.69% ↑	-4.16% ↓	-23.22% ↓	-0.26% ↓	0.24% ↑	Month to Month	-1.53% ↓	-0.01% ↓
Year to Year	2.38% ↑	0.31% ↑	5.74% ↑	5.49% ↑	-1.45% ↓	Year to Year	6.58% ↑	15.05% ↑	-32.57% ↓	-10.19% ↓	-16.90% ↓	Year to Year	-15.16% ↓	6.45% ↑

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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

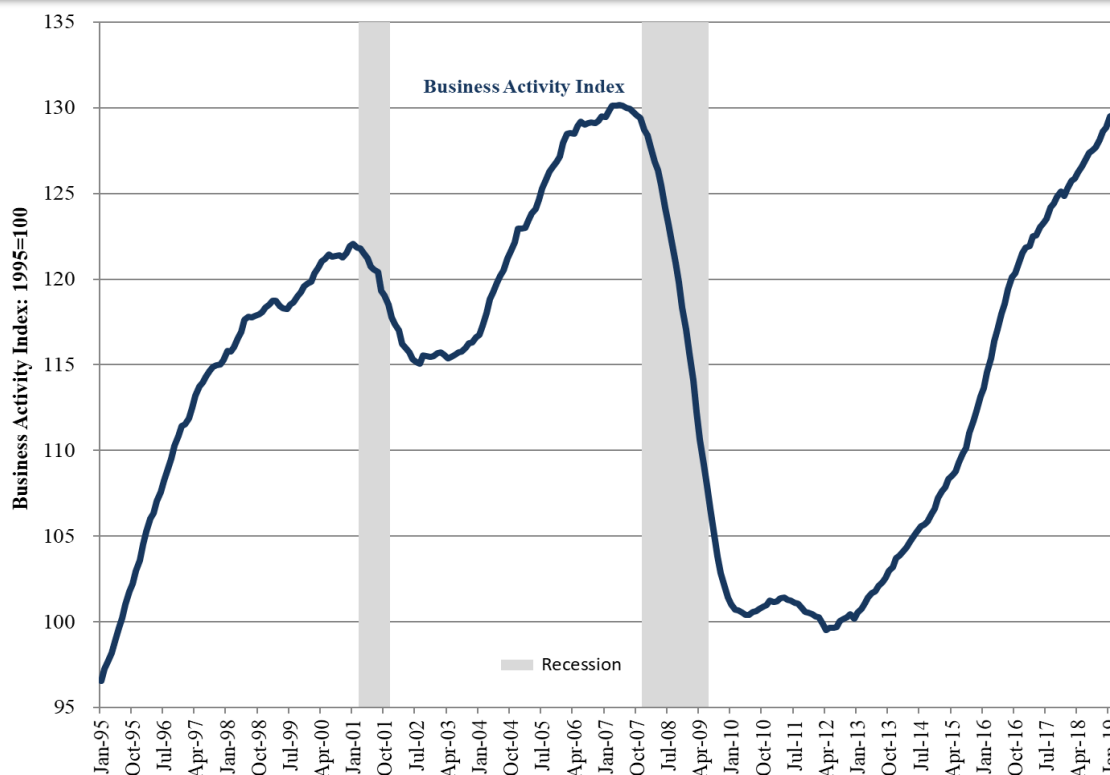
* MSA-Reno Metropolitan Statistical Area * WC-Washoe County * RTIA-Reno Tahoe International Airport *SF-Single Family

Reno MSA Business Activity Index

Reno MSA Business Activity Index increased between February and March 2019, the fifteenth 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 0.15% increase between February and March 2019. The index increased by 3.11% over the same period last year (March 2018 and 2019). Conversations with airport representatives indicate some of the decline in the cargo shipped series is due to a switch from air to ground transportation. We are working on identifying additional series to show this shift



and capture more of shipments in and out of the region.

Series	Latest Period- March 2019	Prev. Period- February 2019	Change Prev. Period	Prev. Year- March 2018	Change Prev. Year
Taxable Sales (Washoe Co., SA, CPI)	442,358,703	441,279,077	0.24%	432,072,540	2.38%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	43,388,206	43,443,330	-0.13%	43,253,942	0.31%
CES Employment (Reno MSA, SA)	247,742	246,583	0.47%	234,292	5.74%
Airport Passengers (Reno Tahoe Airport, SA)	355,854	353,595	0.64%	337,333	5.49%
Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA)	12,322,240	12,429,110	-0.86%	12,503,092	-1.45%
Business Activity Index Result	129.81	129.61	0.15%	125.89	3.11%

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.

and capture more of shipments in and out of the region.

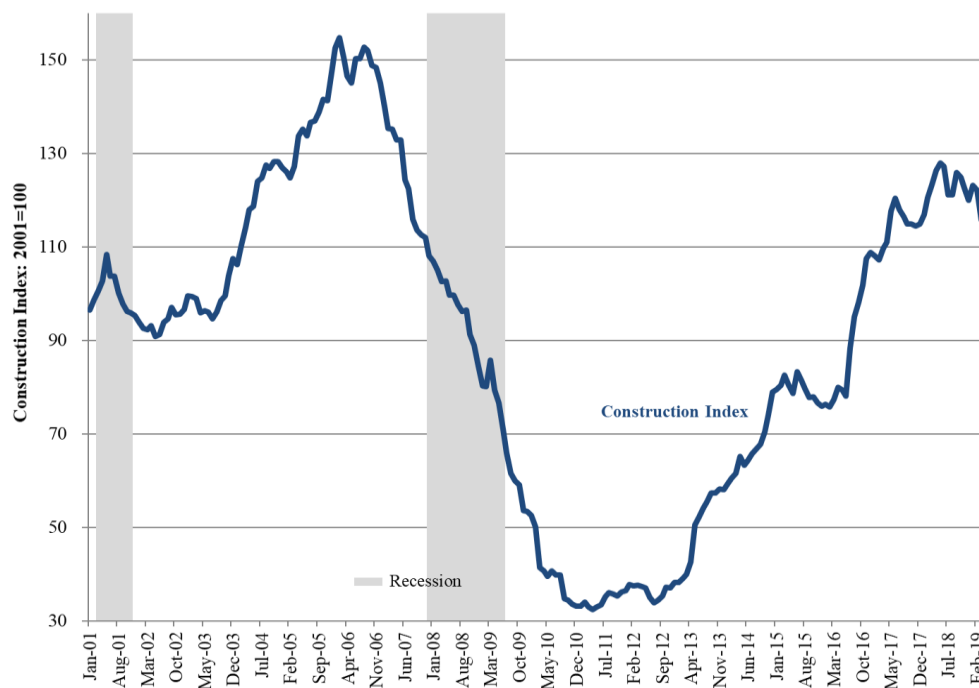
A small decline occurred in monthly taxable gaming revenue series, due to a larger increase in CPI. Other series continue to show positive growth.

Reno MSA Construction Index

Reno MSA Construction Index declined between February and March 2019, the second period of decline after an increase in January 2019.

It should be noted City of Reno building permit data for February and March 2019 and Washoe County data for March 2019 was not reported by these entities as of the date of this index. These data were collected from the Accela database, but may be not directly comparable to historical data due to potential differences in the data reporting methodology.

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 5.25% between February and March 2019. Construction employment in the region continues to increase. However, the number and value of commercial permits declined compared to the previous month, though building permit value remains higher than last year.

Series	Latest Period- March 2019	Prev. Period- February 2019	Change Prev. Period	Prev. Year- March 2018	Change Prev. Year
Reno MSA Construction Employment (SA)	18,367	18,242	0.69%	17,233	6.58%
Washoe Co. Commercial Building Permit Value (SA, CPI)*	35,612,105	37,159,737	-4.16%	30,954,482	15.05%
Washoe Co. Commercial Building Permits (SA)*	17.1	22.3	-23.22%	25	-32.57%
Washoe Co. Residential Building Permit Value (SA, CPI)*	51,276,112	51,408,692	-0.26%	57,096,456	-10.19%
Washoe Co. Residential Building Permit Units (SA)*	379	378	0.24%	456	-16.90%
Construction Index Result	115.82	122.24	-5.25%	123.29	-6.06%

Residential permit values declined compared to the previous month, while the number of permits increased. Both series declined compared to previous year. The index declined by 6.06% compared to the same month in the previous year (March 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 February and March 2019, the fourth decline following a one-month increase in November 2018.

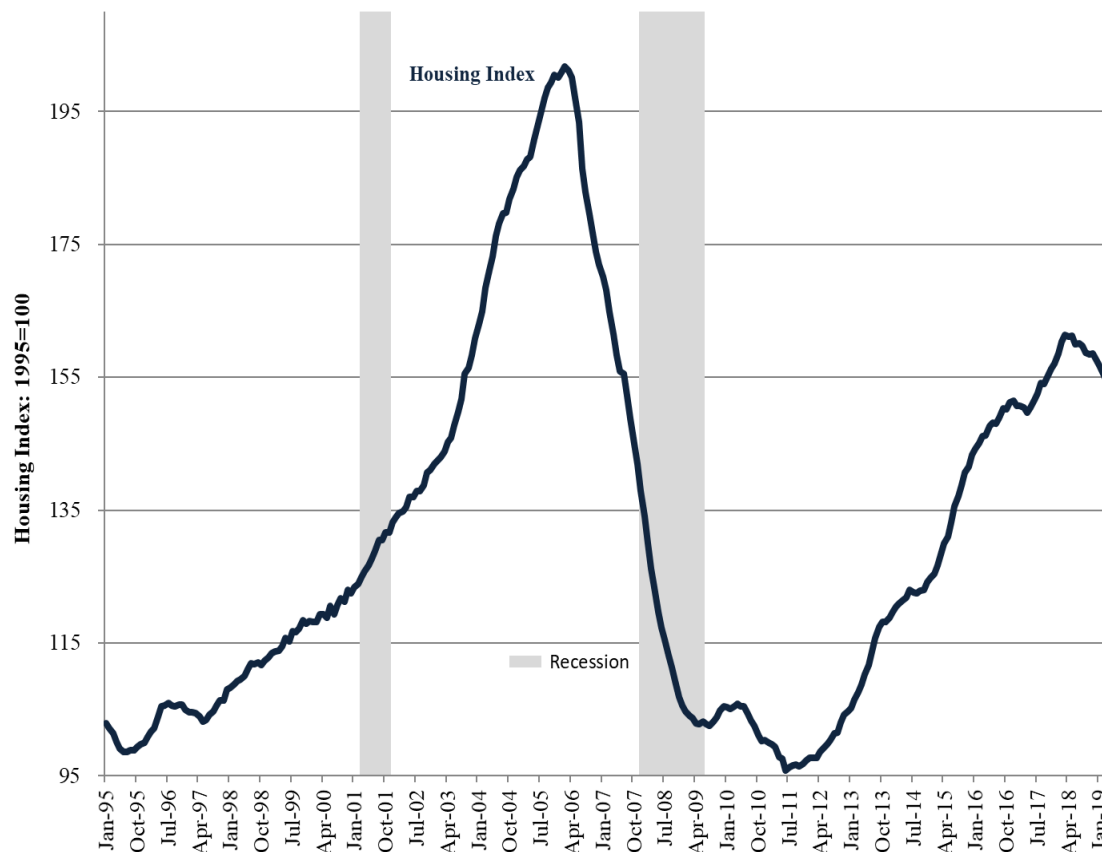
The goal of the Reno MSA Single-Family Housing Index is to provide a simplified picture of the residential housing market in the Reno MSA region.

The index declined by 0.69% between February and March 2019 and also by 4.31% compared to the same period previous year (March 2018 and 2019) as the number of new and existing homes sold in the region continues to decline.

New home sales increased from 129 in March 2018 to 135 in March 2019. Existing home sales declined from 602 in March 2018 to 477 in March 2019.

Some of the sales decline is attributed to growth in home prices and resulting affordability issues.

Median home prices grew between February and 2019 from \$385,000 to \$389,500. New home prices increased during this period from \$483,173 to \$486,317, while existing home prices increased from \$362,500 to \$364,000. However, when adjusted for inflation, homes sales in the region actually declined slightly compared to February 2019.



Series	Latest Period- March 2019	Prev. Period- February 2019	Change Prev. Period	Prev. Year- March 2018	Change Prev. Year
New and Existing Homes Sold (Washoe Co., SA)	638	648	-1.53%	752	-15.16%
Median Price of New/Existing Homes (Washoe Co., SA, CPI)	234,627	234,661	-0.014%	220,421	6.45%
Housing Index Result	154.46	155.53	-0.69%	161.41	-4.31%

Source: Washoe County Assessor/Center for Regional Studies (UNR).

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