

# RENO MSA INDUSTRY TRENDS-APRIL 2019

Published May 2019

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

## Business Activity Index April 2019

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

## Construction Index April 2019

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

## SF Housing Index April 2019

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

0.29%

% Change	Taxable Sales	Taxable Gaming Revenue	Nonfarm Employment	Airport Passengers	Airport Cargo
Month to Month	0.21%	-0.15%	0.45%	0.27%	0.26%

-5.29%

% Change	Construction Employment	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units
Month to Month	0.73%	-10.55%	-16.59%	-1.00%	-1.10%

1.04%

% Change	SF Homes Sold	Median Price of SF Homes
Month to Month	2.23%	0.09%

3.11%

% Change	Taxable Sales	Taxable Gaming Revenue	Nonfarm Employment	Airport Passengers	Airport Cargo
Year to Year	1.76%	0.11%	5.77%	5.17%	-0.43%

-11.99%

% Change	Construction Employment	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units
Year to Year	6.83%	-2.29%	-45.37%	-9.23%	-10.91%

-3.13%

% Change	SF Homes Sold	Median Price of SF Homes
Year to Year	-11.99%	5.44%

**EKAY** | ECONOMIC CONSULTANTS

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

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

- WC Single-Family Home Sales
- WC Single Family Median Sales Price

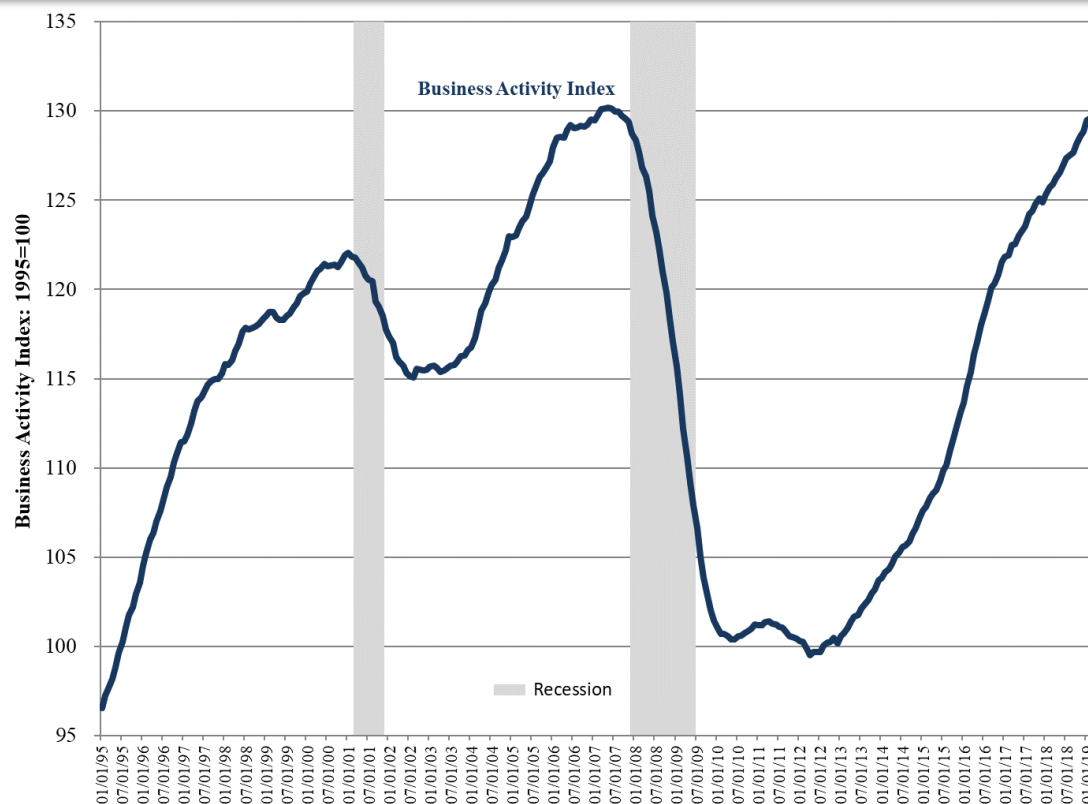
\* MSA-Reno Metropolitan Statistical Area \* WC-Washoe County \* RTIA-Reno Tahoe International Airport \*SF-Single Family

## Reno MSA Business Activity Index

Reno MSA Business Activity Index increased between March and April 2019, the sixteenth 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 0.29% increase between March and April 2019. The index increased by 3.11% over the same period last year (April 2018 and 2019).



Series	Latest Period- April 2019	Prev. Period- March 2019	Change Prev. Period	Prev. Year- April 2018	Change Prev. Year
Taxable Sales (Washoe Co., SA, CPI)	442,763,757	441,820,585	0.21%	435,084,560	1.76%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	43,323,092	43,388,206	-0.15%	43,276,805	0.11%
CES Employment (Reno MSA, SA)	248,933	247,817	0.45%	235,350	5.77%
Airport Passengers (Reno Tahoe Airport, SA)	356,823	355,854	0.27%	339,279	5.17%
Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA)	12,354,084	12,322,240	0.26%	12,407,396	-0.43%
<b>Business Activity Index Result</b>	<b>130.16</b>	<b>129.78</b>	<b>0.29%</b>	<b>126.23</b>	<b>3.11%</b>

A small decline occurred in monthly taxable gaming revenue series, due to a larger increase in CPI. Other series continue to show positive growth, including airport cargo shipped which increased this month after a period of declines.

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 declined between March and April 2019, the third period of decline after an increase in January 2019.

*It should be noted City of Reno building permit data for February through April 2019 were 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 5.29% between March and April 2019. The index declined by 11.99% compared to the same month in the previous year (April 2018 and 2019).

Series	Latest Period- April 2019	Prev. Period- March 2019	Change Prev. Period	Prev. Year- April 2018	Change Prev. Year
Reno MSA Construction Employment (SA)	18,500	18,367	0.73%	17,317	6.83%
Washoe Co. Commercial Building Permit Value (SA, CPI)*	32,468,350	36,297,538	-10.55%	33,230,413	-2.29%
Washoe Co. Commercial Building Permits (SA)*	14.3	17.1	-16.59%	26	-45.37%
Washoe Co. Residential Building Permit Value (SA, CPI)*	52,407,845	52,937,074	-1.00%	57,736,259	-9.23%
Washoe Co. Residential Building Permit Units (SA)*	383	387	-1.10%	429	-10.91%
<b>Construction Index Result</b>	<b>111.16</b>	<b>117.38</b>	<b>-5.29%</b>	<b>126.30</b>	<b>-11.99%</b>

Construction employment in the region continues to increase. However, the remaining series declined compared to the previous month (March) and same month the previous year (April 2018).

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.

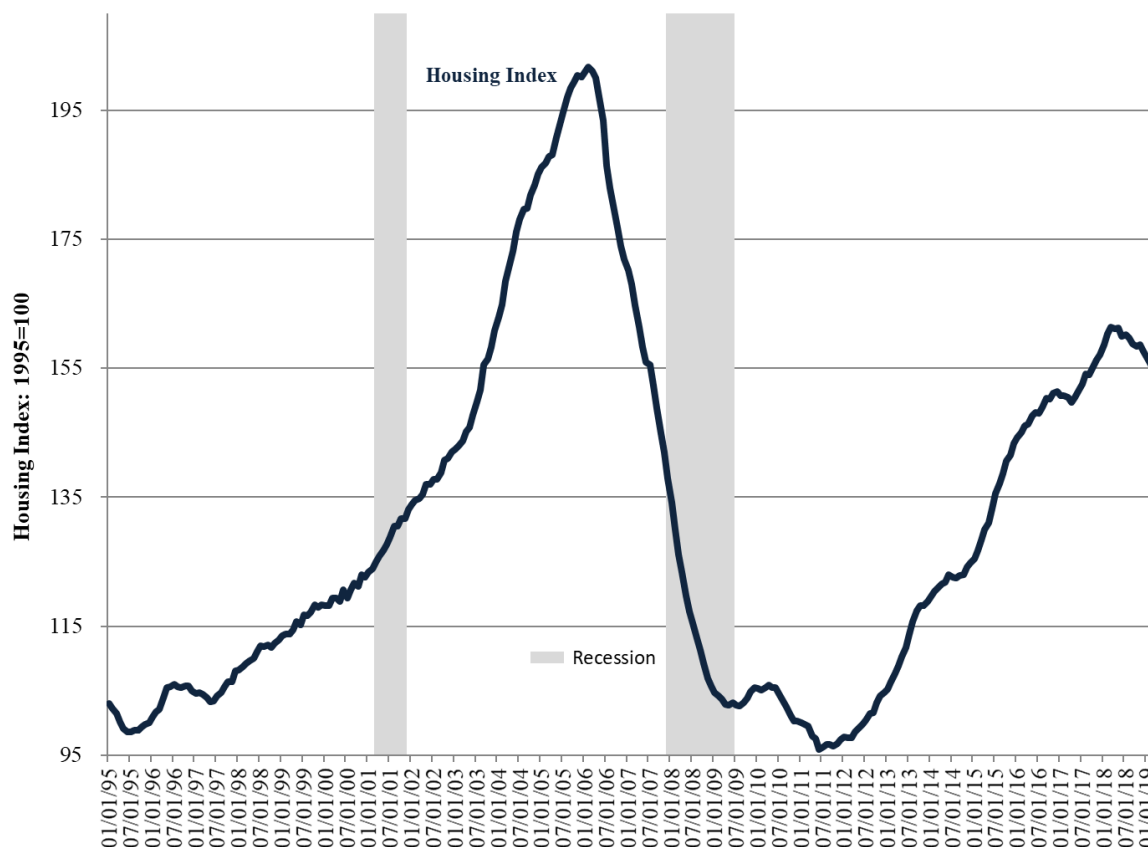
## Reno MSA Single-Family Housing Index

The Reno MSA Single-Family Housing index increased between March and April 2019, the first increase following a four month decline since December 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 increased by 1.04% between March and April 2019, as the number of homes sold in April increased for the first time in months. The index declined by 3.13% compared to the same period previous year (April 2018 and 2019).

New home sales increased from 95 in April 2018 to 130 in April 2019. Existing home sales also increased from 436 in April 2018 to 572 in April 2019. Median home prices grew from \$385,250 in April 2018 to \$390,000 in April 2019.



Series	Latest Period- April 2019	Prev. Period- March 2019	Change Prev. Period	Prev. Year- April 2018	Change Prev. Year
New and Existing Homes Sold (Washoe Co., SA)	653	638	2.23%	741	-11.99%
Median Price of New/Existing Homes (Washoe Co., SA, CPI)	234,798	234,581	0.093%	222,674	5.44%
<b>Housing Index Result</b>	<b>156.04</b>	<b>154.44</b>	<b>1.04%</b>	<b>161.08</b>	<b>-3.13%</b>

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

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