

RENO MSA INDUSTRY TRENDS-MAY 2016

Published June 2016

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

Important changes to the index: Past versions of the index included a two-month lag. For example, the index issued in May 2016 was based on March 2016 data. This is because two of the variables in the Reno Leading Index, taxable sales and gasoline sales, are reported at a two-month lag. The Business Activity index also uses taxable sales as a variable. Remaining industry indexes were lagged to be consistent with the Reno Leading and Business Activity Indexes. In order to improve the timeliness of all indexes, these variables will be estimated for the missing month using an average 12-month, year-over-year change for each variable. As a result, all indexes will now be reported with only one month-lag period.

Business Activity Index

May 2016

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

0.48% ↑

	Taxable Sales	Taxable Gaming Revenue	Nonfarm Employment	Airport Passengers	Airport Cargo
Month to Month	0.72% ↑	-0.20% ↓	0.28% ↑	0.33% ↑	0.86% ↑

7.30% ↑

	Taxable Sales	Taxable Gaming Revenue	Nonfarm Employment	Airport Passengers	Airport Cargo
Year to Year	9.98% ↑	2.35% ↑	3.88% ↑	7.56% ↑	12.68% ↑

Construction Index

May 2016

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

-0.98% ↓

	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units
Month to Month	-5.88% ↓	2.58% ↑	-0.71% ↓	-3.26% ↓

-0.37% ↓

	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units
Year to Year	0.34% ↑	-17.43% ↓	9.77% ↑	1.31% ↑

SF Housing Index

May 2016

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

0.13% ↑

	Nonfarm Employment	SF Homes Sold	Median Price of SF Homes	Housing Opportunity Index
Month to Month	0.28% ↑	-2.03% ↓	2.18% ↑	0.00% ↑

5.63% ↑

	Nonfarm Employment	SF Homes Sold	Median Price of SF Homes	Housing Opportunity Index
Year to Year	3.88% ↑	8.32% ↑	16.00% ↑	2.08% ↑

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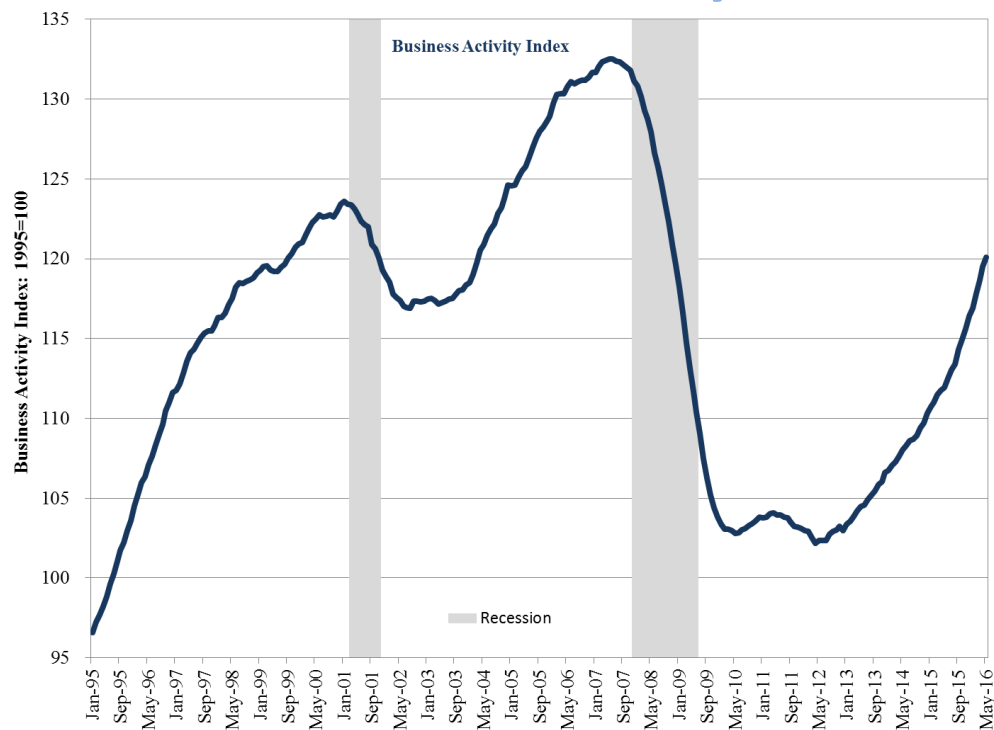
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The Reno MSA Business Activity, Construction, and Housing Indexes are created using the composite methodology introduced by the Department of Commerce and made popular by The Conference Board. All data variables are monthly, seasonally adjusted using 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:

<div style="border: 1px solid #0070C0; border-radius: 15px; background-color: #ADD8E6; padding: 10px;"> <p style="text-align: center;"><u>Business Activity Index</u></p> <ul style="list-style-type: none"> • MSA Employment • WC Gaming Revenue • WC Taxable Sales • RTIA Passengers • RTIA Cargo </div>	<div style="border: 1px solid #0070C0; border-radius: 15px; background-color: #4169E1; padding: 10px;"> <p style="text-align: center;"><u>Construction Index</u></p> <ul style="list-style-type: none"> • MSA Construction Employment • WC Commercial Permits • WC Commercial Permit Valuation • WC Residential Permit Units • WC Residential Permit Valuation </div>	<div style="border: 1px solid #0070C0; border-radius: 15px; background-color: #003366; padding: 10px;"> <p style="text-align: center;"><u>SF Housing Index</u></p> <ul style="list-style-type: none"> • MSA Employment • WC Single-Family Home Sales • WC Single Family Median Sales Price • MSA Housing Opportunity Index </div>
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* 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 0.48% between April and May 2016, totaling 41 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 a 0.48% increase between April and May 2016. The index increased by 7.30% over the same period last year (May 2015 and 2016). Business activity in the region increased for 41 straight months since December 2012.

Reno MSA Business Activity Index

Series	Latest Period- May 2016	Previous Period- April 2016	Change Previous Period	Previous Year- May 2015	Change Previous Year
Taxable Sales (Washoe Co., SA, CPI)	398,233,938	395,399,119	0.72%	362,107,564	9.98%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	41,891,259	41,976,735	-0.20%	40,928,926	2.35%
CES Employment (Reno MSA, SA)	213,683	213,083	0.28%	205,700	3.88%
Airport Passengers (Reno Tahoe Airport, SA)	295,348	294,365	0.33%	274,588	7.56%
Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA)	12,224,736	12,120,440	0.86%	10,848,620	12.68%
<i>Business Activity Index Result</i>	<i>120.10</i>	<i>119.54</i>	<i>0.48%</i>	<i>111.94</i>	<i>7.30%</i>

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

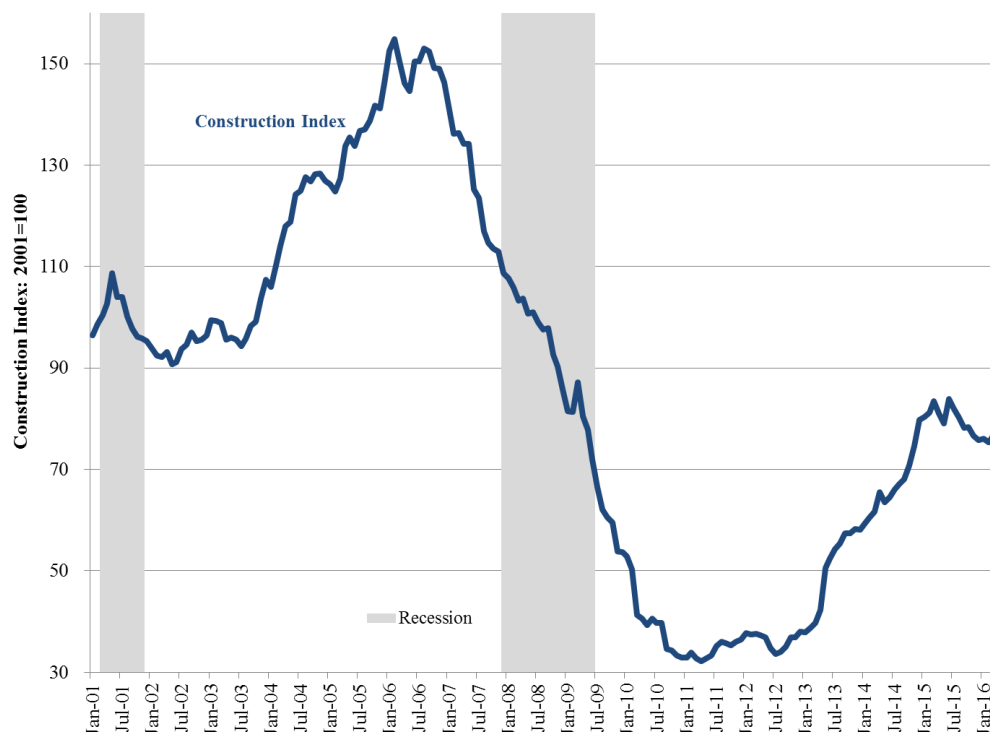
SA-Series results are seasonally adjusted. CPI-Series results are adjusted for inflation to 1995.

Reno MSA Construction Index

Reno MSA Construction Index decreased by 0.98% between April and May 2016, after two months of positive growth.

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 0.98% decrease between April and May 2016. The index decreased by 0.37% from the same period last year (May 2015 and 2016). May’s decrease in the index followed two months of positive growth and multiple fluctuations in the index in 2015 and early 2016, after a period of growth in 2013 and 2014.



Reno MSA Construction Index

Series	Latest Period	Previous Period	Change	Previous Year	Change
	May 2016	April 2016	Previous Period	May 2015	Previous Year
Reno MSA Construction Employment (SA)	13,292	13,192	0.76%	12,100	9.85%
Washoe Co. Commercial Building Permit Value (SA, CPI)*	16,944,771	18,002,851	-5.88%	16,886,906	0.34%
Washoe Co. Commercial Building Permits (SA)*	17	16	2.58%	20	-17.43%
Washoe Co. Residential Building Permit Value (SA, CPI)*	36,684,637	36,947,336	-0.71%	33,418,107	9.77%
Washoe Co. Residential Building Permit Units (SA)*	225	232	-3.26%	222	1.31%
Construction Index Result	78.80	79.58	-0.98%	79.09	-0.37%

Source: Current Employment Statistics-Bureau of Labor Statistics, 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.

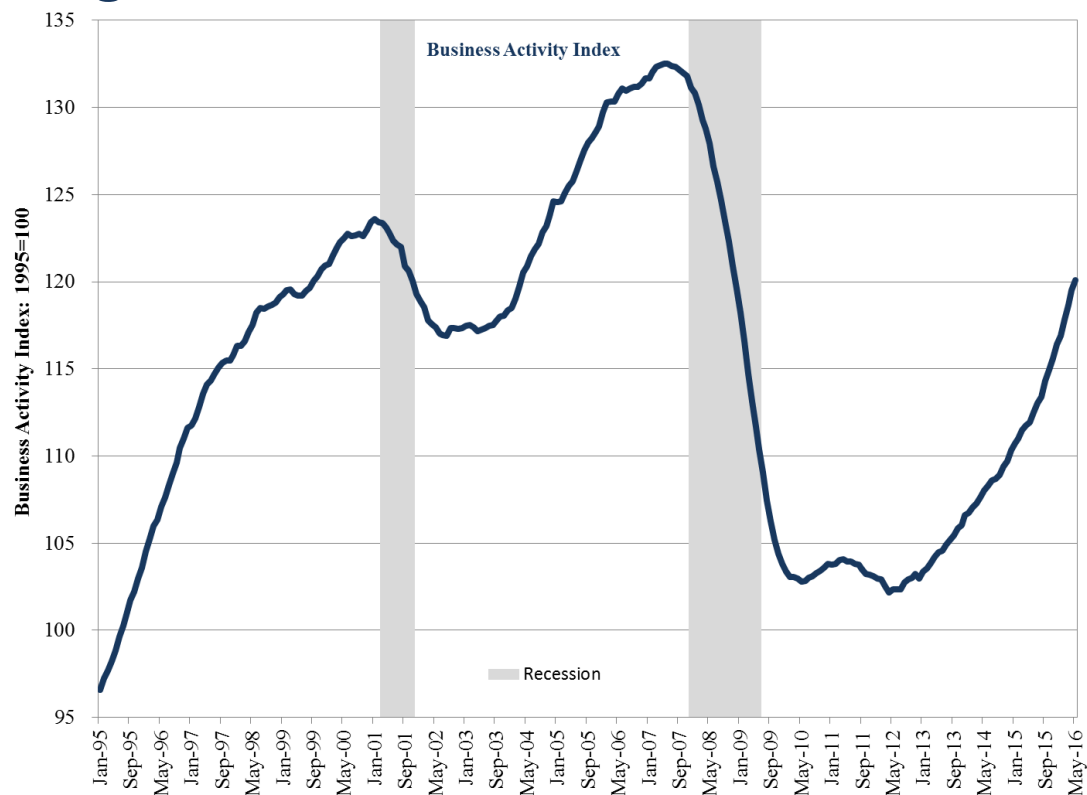
*Includes data for Washoe County, City of Reno, and City of Sparks.

Reno MSA Single-Family Housing Index

Reno MSA Single-Family Housing Index increased by 0.13% between April and May 2016, the third month of positive growth after a slight decrease in the index in February 2016.

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

The Index shows a 0.13% increase between April and May 2016. The index increased by 5.63% over the same period last year (May 2015 and 2016). The housing index grew for three months since a small decline in



February 2016.

Reno MSA Single-Family Housing Index

Series	Latest Period-	Previous Period-	Change	Previous Year-	Change
	May 2016	April 2016	Previous Period	May 2015	Previous Year
CES Employment (Reno MSA, SA)	213,683	213,083	0.28%	205,700	3.88%
New and Existing Homes Sold (Washoe Co., SA)	701	715	-2.03%	647	8.32%
Median Price of New/Existing Homes (Washoe Co., SA, CPI)	193,820	189,685	2.18%	167,085	16.00%
Housing Opportunity Index (Reno MSA)-estimated	59.0	59.0	0.00%	57.8	2.08%
Housing Index Result	131.60	131.42	0.13%	124.58	5.63%

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.