

RENO MSA INDUSTRY TRENDS-APRIL 2018






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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 April 2018

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

0.25% 

% Change	Taxable Sales	Taxable Gaming Revenue	Nonfarm Employment	Airport Passengers	Airport Cargo
Month to Month	0.26% 	0.05% 	0.49% 	0.63% 	-0.42% 






2.21% 


% Change	Taxable Sales	Taxable Gaming Revenue	Nonfarm Employment	Airport Passengers	Airport Cargo
Year to Year	4.31% 	2.50% 	3.39% 	8.28% 	-5.75% 






Construction Index April 2018

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

-1.28% 

% Change	Construction Employment	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units
Month to Month	0.00% 	0.48% 	-8.37% 	1.12% 	0.08% 


4.61% 

% Change	Construction Employment	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units
Year to Year	10.43% 	2.16% 	-32.49% 	41.97% 	35.76% 



SF Housing Index (Revised) April 2018

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

-0.74% 

% Change	SF Homes Sold	Median Price of SF Homes
Month to Month	-2.56% 	1.02% 

7.05% 

% Change	SF Homes Sold	Median Price of SF Homes
Year to Year	4.18% 	9.86% 

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

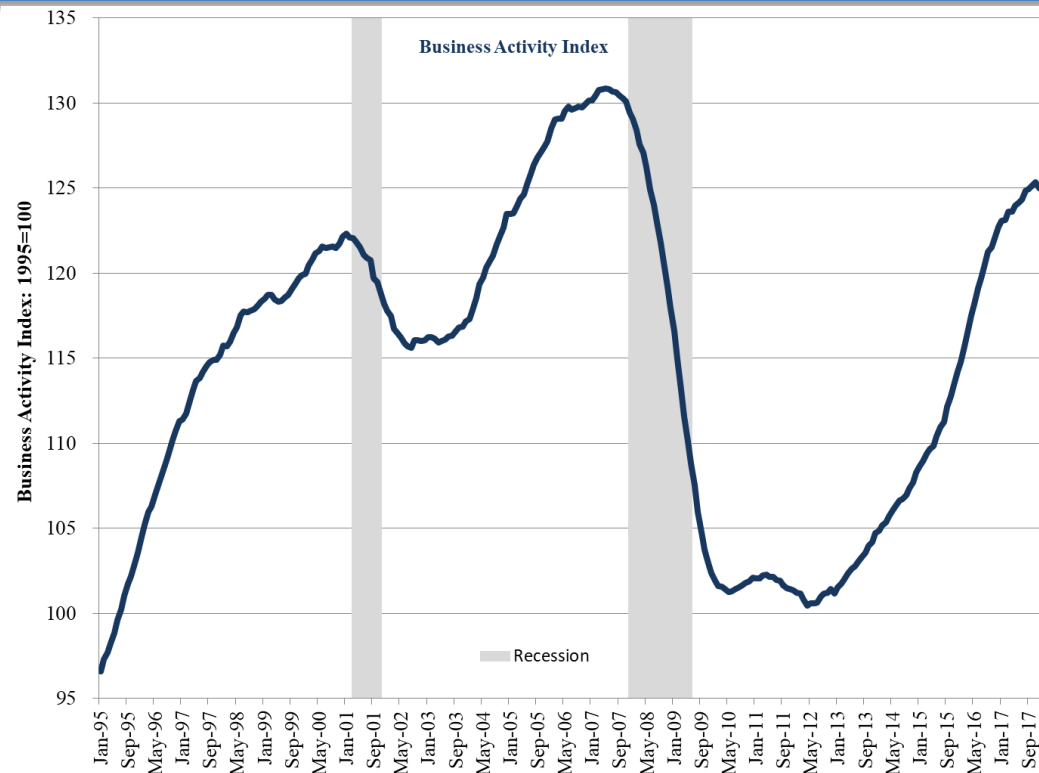
* MSA-Reno Metropolitan Statistical Area * WC-Washoe County * RTIA-Reno Tahoe International Airport *SF-Single Family

Reno MSA Business Activity Index

Reno MSA Business Activity Index increased between March and April 2018, the fourth month of growth after a small (0.29%) 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 and airport cargo pounds shipped data for this index is projected using average 12-month, year-over-year change for the variable.

The Index shows 0.25% increase March and April 2018. The index increased by 2.21% over the same period last year (April 2017 and 2018). As discussed with the leading index, the airport cargo pounds shipped variable declined in the past few months, and may become a concern if this continues in 2018.



Series	Latest Period- April 2018	Prev. Period- March 2018	Change Prev. Period	Prev. Year- April 2017	Change Prev. Year
Taxable Sales (Washoe Co., SA, CPI)	433,205,143	432,072,540	0.26%	415,305,706	4.31%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	43,276,805	43,253,942	0.05%	42,222,226	2.50%
CES Employment (Reno MSA, SA)	230,525	229,400	0.49%	222,958	3.39%
Airport Passengers (Reno Tahoe Airport, SA)	339,456	337,333	0.63%	313,508	8.28%
Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA)	12,450,654	12,503,092	-0.42%	13,210,073	-5.75%
Business Activity Index Result	126.33	126.02	0.25%	123.59	2.21%

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

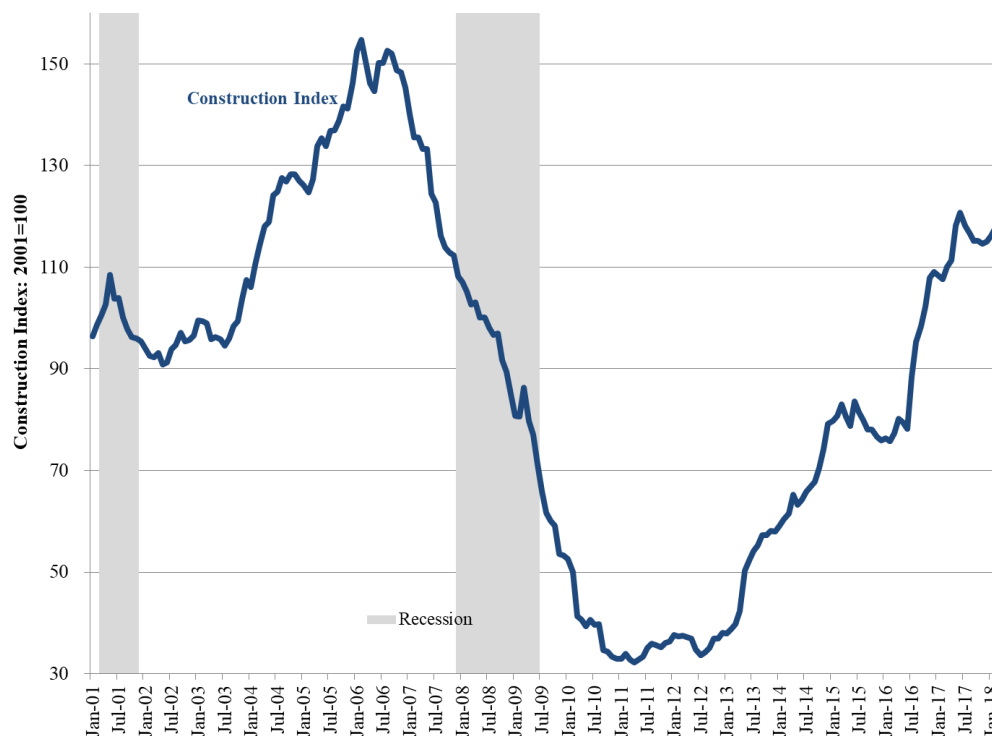
SA-Series results are seasonally adjusted. CPI-Series results are adjusted for inflation to 1995.

Reno MSA Construction Index

Reno MSA Construction Index decreased by 1.28% between March and April 2018, the first decrease in the index following a four-month increase since December 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 1.28% decrease between March and April 2018. Of interest this month, is the decline in the number of commercial building permits issued. This series declined between March and April 2018 and compared to the same period last year (April 2017 and 2018). The value of these permits increased for both periods, indicating the size of commercial projects is increasing, while the number of project declines.



Series	Latest Period- April 2018	Prev. Period- March 2018	Change Prev. Period	Prev. Year- April 2017	Change Prev. Year
Reno MSA Construction Employment (SA)	16,942	16,942	0.00%	15,342	10.43%
Washoe Co. Commercial Building Permit Value (SA, CPI)*	29,116,393	28,978,667	0.48%	28,501,908	2.16%
Washoe Co. Commercial Building Permits (SA)*	20	22	-8.37%	30	-32.49%
Washoe Co. Residential Building Permit Value (SA, CPI)*	57,736,259	57,096,456	1.12%	40,668,463	41.97%
Washoe Co. Residential Building Permit Units (SA)*	429	429	0.08%	316	35.76%
Construction Index Result	116.48	117.99	-1.28%	111.34	4.61%

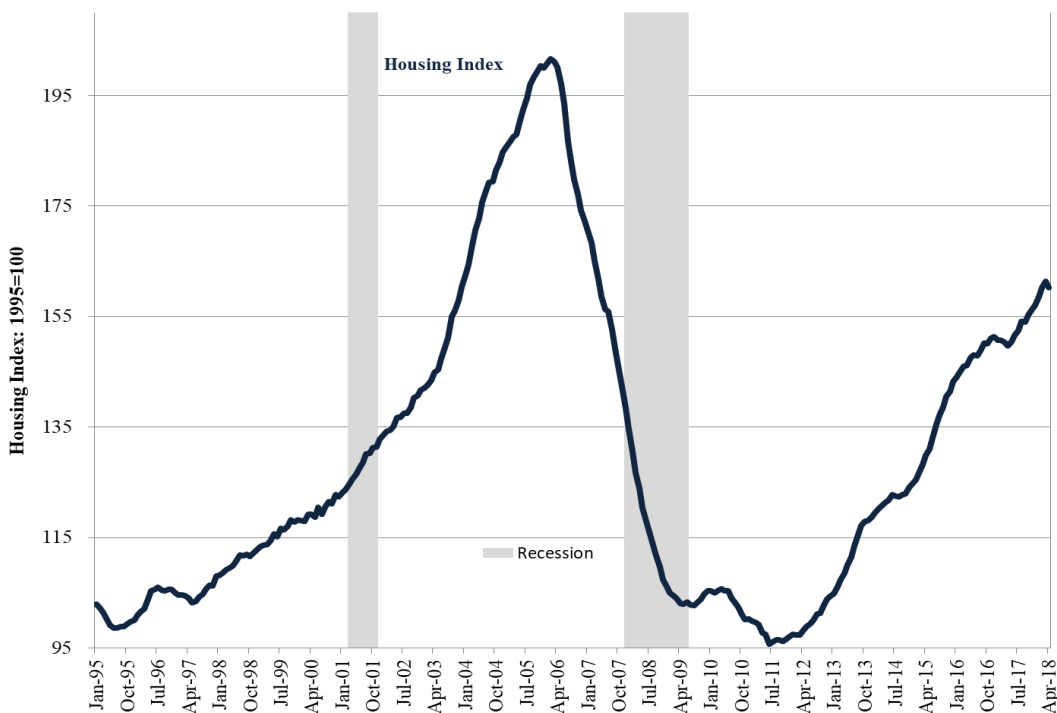
The overall construction industry in the region is growing at a high rate, with the index increasing by 4.61% from the same period last year (April 2017 and 2018).

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 was revised this month to exclude employment and Housing Opportunity Index series. The revised index decreased between March and April 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 original index included employment, number of home sales, home prices, and home affordability series. However, the Housing Opportunity Index, which is available quarterly, has been highly inconsistent. For example, the latest (1Q 2018) index was based on a decreased median housing price in Reno MSA of \$345,000, compared to \$415,000 in 4Q 2017. This is inconsistent with the actual pricing data in the region. Employment data was also excluded from the index, as it no longer fit with the index methodology. As a result, going forward, the index will include the number of homes sold and home price series only. This simplified index will allow for comparison of housing sales trends in the region over time.



The index decreased by 0.74% between March and April 2018. This was primarily due to a large decrease in the number of homes sold in the area. This decline in sales is due to a supply shortage in the region, which, in part, is the driving force behind the region’s price

Series	Latest Period- April 2018	Prev. Period- March 2018	Change Prev. Period	Prev. Year- April 2017	Change Prev. Year	growth. The index increased by 7.05% compared to the same period previous year (April 2017 and 2018).
New and Existing Homes Sold (Washoe Co., SA)	733	752	-2.56%	704	4.18%	
Median Price of New/Existing Homes (Washoe Co., SA, CPI)	222,674	220,421	1.02%	202,692	9.86%	
Housing Index Result	160.18	161.37	-0.74%	149.64	7.05%	

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