

RENO MSA INDUSTRY TRENDS-MAY 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 May 2019

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

Construction Index May 2019

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

SF Housing Index May 2019

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

Business Activity Index						Construction Index						SF Housing Index		
May 2019						May 2019						May 2019		
Provides historical and current trends for business activity in the Reno MSA region.						Provides historical and current trends for the construction industry in the Reno MSA region.						Provides historical and current trends for single-family housing activity in the Reno MSA region.		
0.27% ↑						-5.61% ↓						0.55% ↑		
% 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	0.18% ↑	-0.10% ↓	0.49% ↑	0.42% ↑	-0.02% ↓	Month to Month	0.86% ↑	-7.67% ↓	-32.75% ↓	0.83% ↑	1.05% ↑	Month to Month	0.91% ↑	0.27% ↑
3.11% ↑						-18.00% ↓						-2.70% ↓		
% 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
Year to Year	1.68% ↑	-0.37% ↓	5.85% ↑	4.90% ↑	-0.16% ↓	Year to Year	7.49% ↑	-11.63% ↓	-64.72% ↓	-8.01% ↓	-9.96% ↓	Year to Year	-10.70% ↓	4.93% ↑

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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

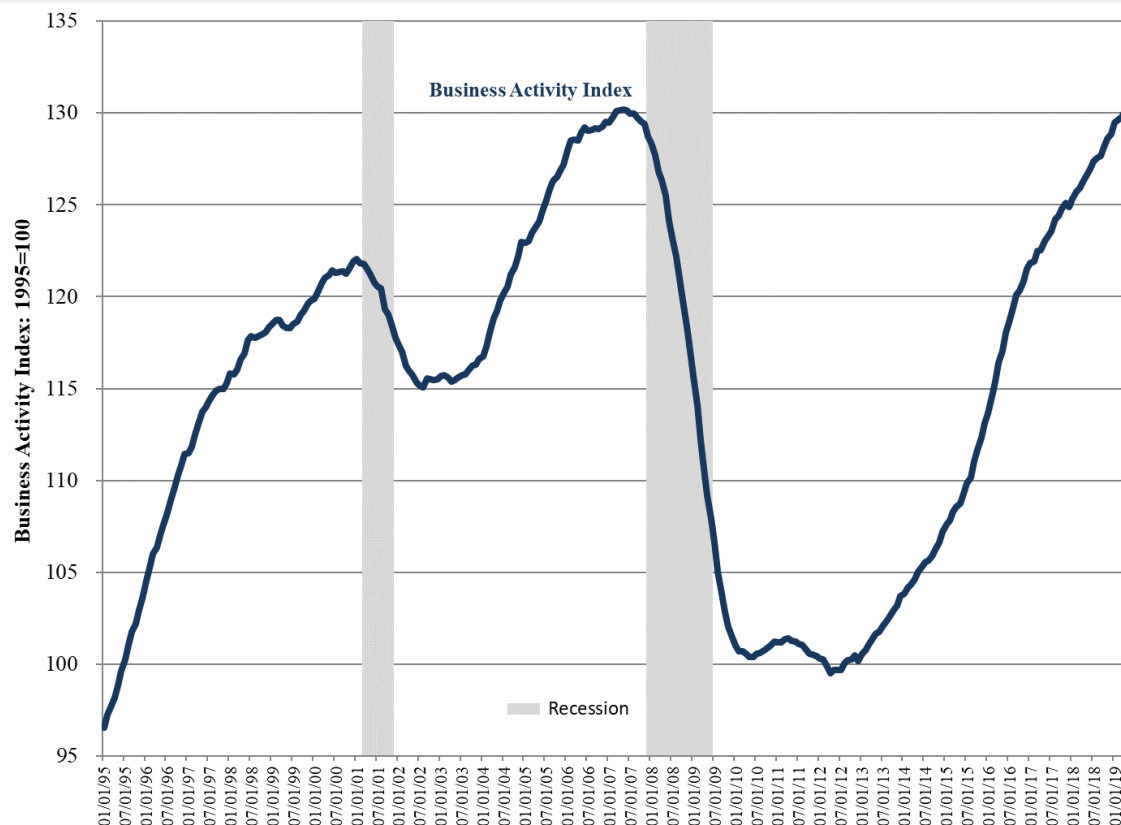
* MSA-Reno Metropolitan Statistical Area * WC-Washoe County * RTIA-Reno Tahoe International Airport *SF-Single Family

Reno MSA Business Activity Index

Reno MSA Business Activity Index increased between April and May 2019, the 17th 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 0.27% increase between April and May 2019. The index increased by 3.11% over the same period last year (May 2018 and 2019).



A small decline occurred in inflation-adjusted monthly taxable gaming revenue series as inflation grew at a faster rate than gaming revenue. Other series continue to show positive growth. Airport series were not available for May and were estimated using historical data.

Series	Latest Period- May 2019	Prev. Period- April 2019	Change Prev. Period	Prev. Year- May 2018	Change Prev. Year
Taxable Sales (Washoe Co., SA, CPI)	443,355,685	442,540,684	0.18%	436,042,024	1.68%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	43,278,709	43,323,092	-0.10%	43,440,673	-0.37%
CES Employment (Reno MSA, SA)	250,150	248,933	0.49%	236,333	5.85%
Airport Passengers (Reno Tahoe Airport, SA)	358,338	356,823	0.42%	341,596	4.90%
Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA)	12,351,776	12,354,084	-0.02%	12,371,910	-0.16%
Business Activity Index Result	130.50	130.14	0.27%	126.56	3.11%

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

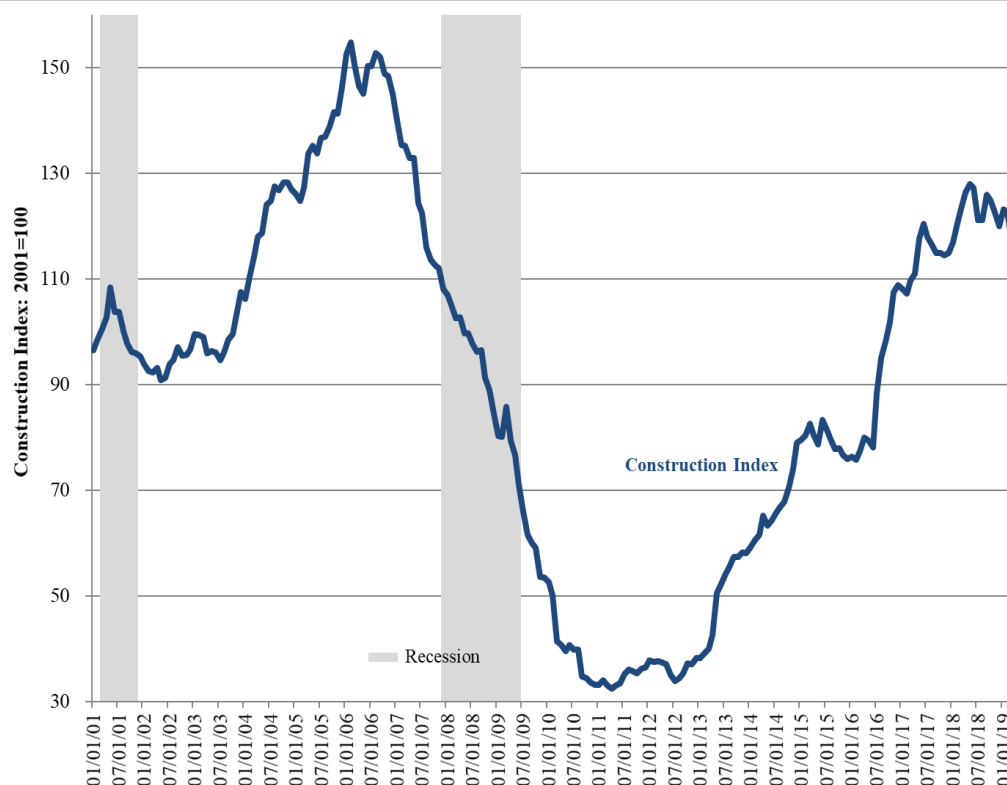
SA-Series results are seasonally adjusted. CPI-Series results are adjusted for inflation to 1995.

Reno MSA Construction Index

Reno MSA Construction Index declined between April and May 2019, the fourth period of decline after an increase in January 2019.

It should be noted City of Reno building permit data for February through May 2019 were not reported 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 5.61% between April and May 2019. The index declined by 18.0% compared to the same month in the

Series	Latest Period- May 2019	Prev. Period- April 2019	Change Prev. Period	Prev. Year- May 2018	Change Prev. Year
Reno MSA Construction Employment (SA)	18,658	18,500	0.86%	17,358	7.49%
Washoe Co. Commercial Building Permit Value (SA, CPI)*	29,978,511	32,468,350	-7.67%	33,922,935	-11.63%
Washoe Co. Commercial Building Permits (SA)*	9.6	14.3	-32.75%	27	-64.72%
Washoe Co. Residential Building Permit Value (SA, CPI)*	52,840,210	52,407,845	0.83%	57,440,849	-8.01%
Washoe Co. Residential Building Permit Units (SA)*	387	383	1.05%	429	-9.96%
Construction Index Result	104.92	111.16	-5.61%	127.95	-18.00%

previous year (May 2018 and 2019). Construction employment in the region continues to increase. However, commercial permit series declined this month and compared to the same month last year.

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.

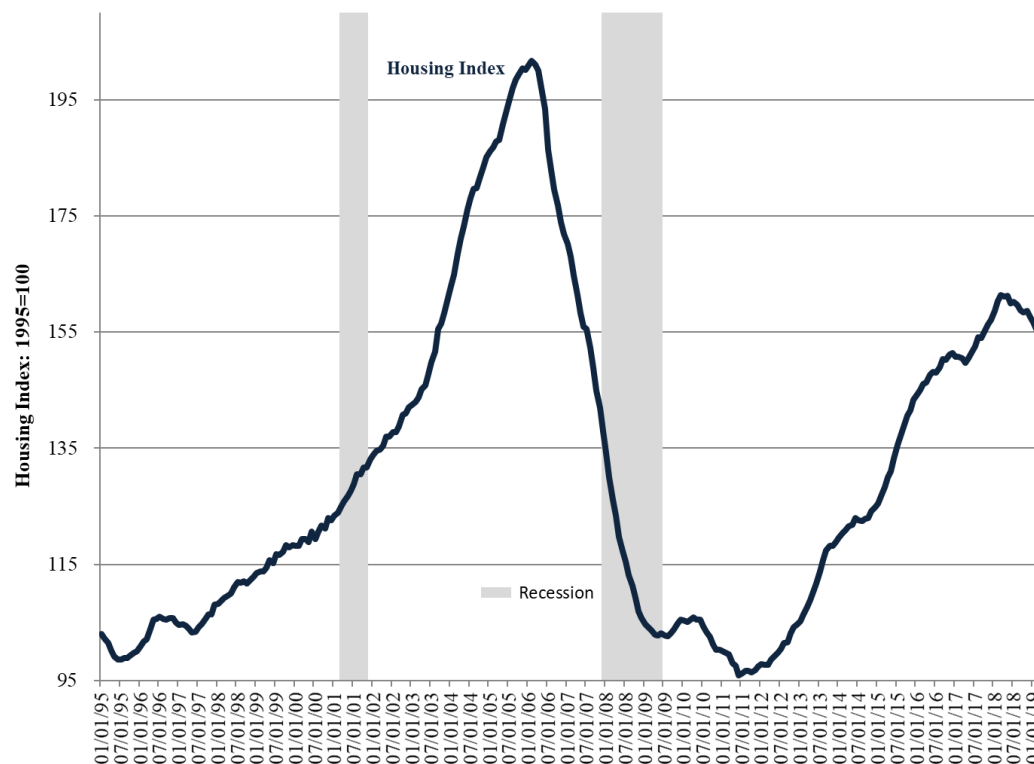
Reno MSA Single-Family Housing Index

The Reno MSA Single-Family Housing index increased between April and May 2019, the second 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 0.55% between April and May 2019, as the number of homes sold in May increased for the second time in months. The index declined by 2.70% compared to the same period previous year (May 2018 and 2019).

New home sales increased from 143 in May 2018 to 153 in May 2019. Existing home sales also increased from 655 in May 2018 to 716 in May 2019. Median home prices grew from \$380,000 in May 2018 to \$405,000 in May 2019.



Series	Latest Period- May 2019	Prev. Period April 2019	Change Prev. Period	Prev. Year- May 2018	Change Prev. Year
New and Existing Homes Sold (Washoe Co., SA)	658	653	0.91%	737	-10.70%
Median Price of New/Existing Homes (Washoe Co., SA, CPI)	235,431	234,798	0.270%	224,370	4.93%
Housing Index Result	156.91	156.04	0.55%	161.26	-2.70%

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