

RENO MSA INDUSTRY TRENDS-JULY 2017

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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 July 2017

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

0.11%

% Change	Taxable Sales	Taxable Gaming Revenue	Nonfarm Employment	Airport Passengers	Airport Cargo
Month to Month	0.31%	0.02%	0.22%	1.15%	-0.78%
Year to Year	3.66%	-0.25%	3.88%	8.24%	3.48%

Construction Index July 2017

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

-2.37%

% Change	Construction Employment	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units
Month to Month	0.57%	-5.95%	-5.51%	2.43%	0.33%
Year to Year	5.46%	36.38%	49.38%	28.64%	46.50%

SF Housing Index July 2017

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

0.58%

% Change	Nonfarm Employment	SF Homes Sold	Median Price of SF Homes	Housing Opportunity Index
Month to Month	0.22%	0.33%	1.34%	2.24%
Year to Year	3.88%	1.02%	4.97%	-10.70%

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

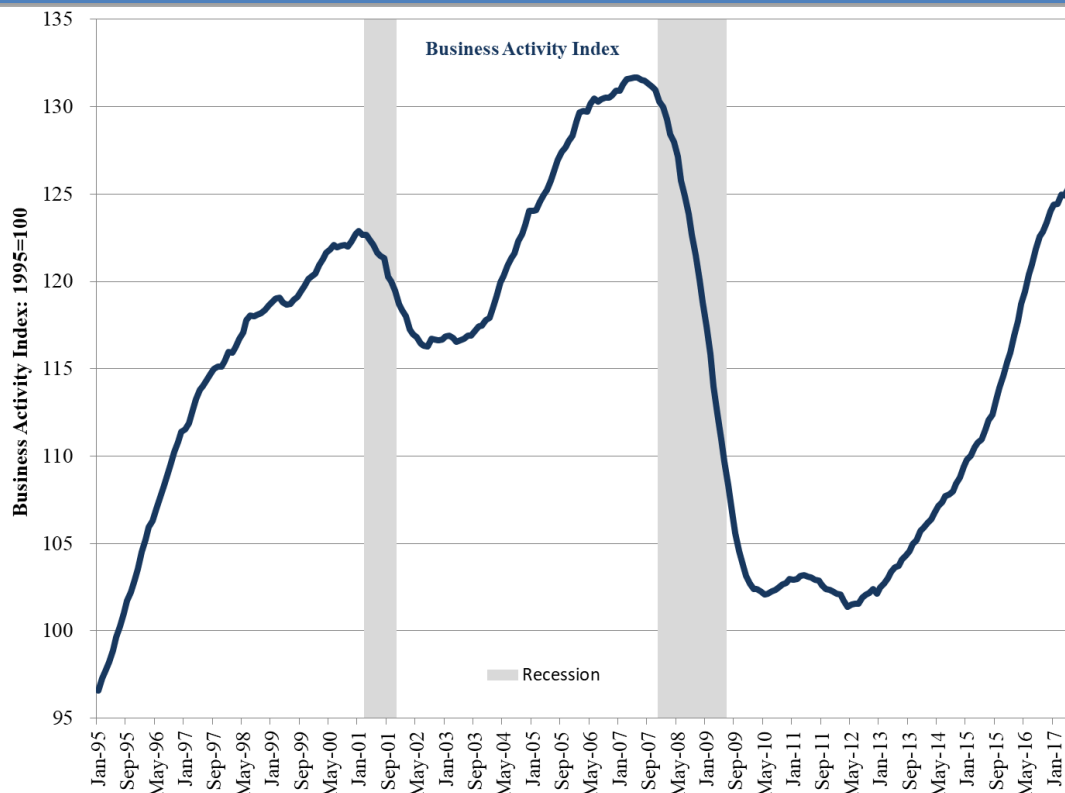
- MSA Employment
- WC Single-Family Home Sales
- WC Single Family Median Sales Price
- MSA Housing Opportunity Index

* 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 June and July 2017, the third month of growth after a small (0.03%) index decrease in April 2017. Prior to this decrease, the index showed 51 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 0.11% increase between June and July 2017. The index increased by 3.83% over the same period last year (July 2016 and 2017).

Series	Latest Period- July 2017	Prev.Period- June 2017	Change Prev. Period	Prev. Year- July 2016	Change Prev. Year
Taxable Sales (Washoe Co., SA, CPI)	419,456,462	418,140,892	0.31%	404,641,833	3.66%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	42,176,856	42,166,432	0.02%	42,283,149	-0.25%
CES Employment (Reno MSA, SA)	224,658	224,158	0.22%	216,258	3.88%
Airport Passengers (Reno Tahoe Airport, SA)	321,991	318,326	1.15%	297,480	8.24%
Airport Cargo Lbs. Shipped (Reno Tahoe Airport, SA)	13,069,269	13,172,350	-0.78%	12,629,775	3.48%
Business Activity Index Result	125.62	125.48	0.11%	120.99	3.83%

by the index, grew after a small (0.03%) decrease in April 2017 due to decreases in taxable sales and airport cargo shipped series. Airport cargo shipped series also declined in June and July 2017.

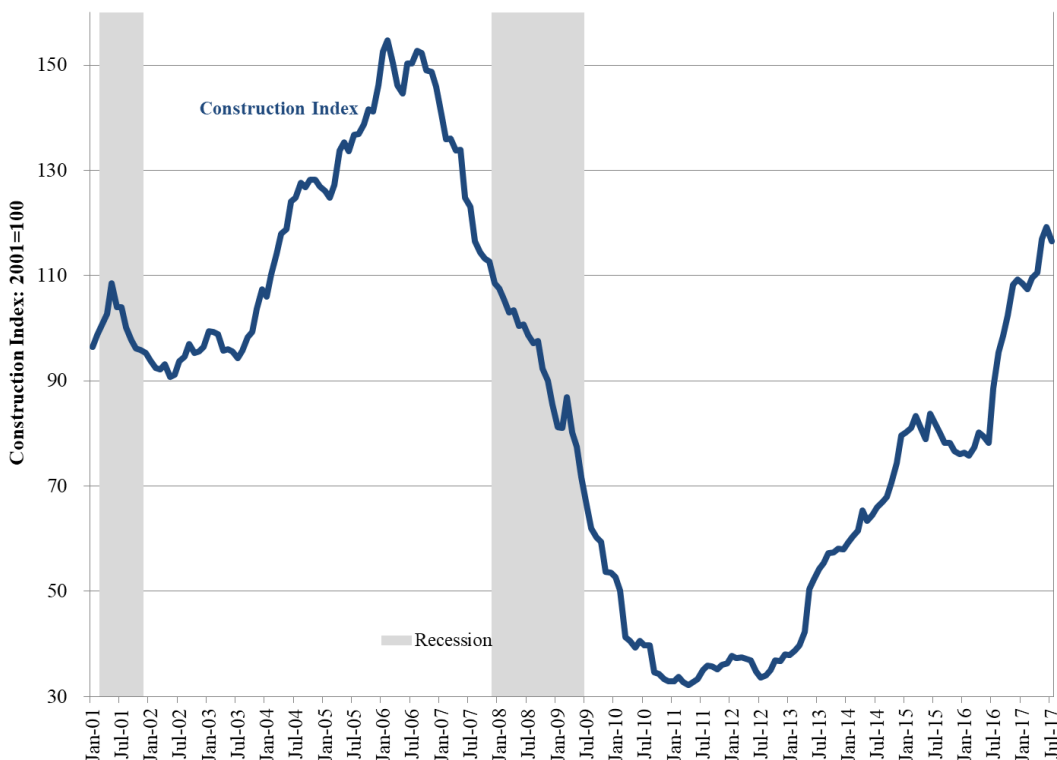
Source: Nevada Department of Taxation, Nevada Gaming Control Board, Current Employment Statistics (CES)-Bureau of Labor Statistics, and Reno-Tahoe International Airport.

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 2.37% between June and July 2017, the first decline in the index since February 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 2.37% decrease between June and July 2017. This is due to a decline in the commercial building permit series, including both the number of permits and permit valuation.

Series	Latest Period- July 2017	Prev.Period- June 2017	Change Prev. Period	Prev. Year- July 2016	Change Prev. Year
Reno MSA Construction Employment (SA)	14,800	14,717	0.57%	14,033	5.46%
Washoe Co. Commercial Building Permit Value (SA, CPI)*	29,439,952	31,303,785	-5.95%	21,586,640	36.38%
Washoe Co. Commercial Building Permits (SA)*	30	32	-5.51%	20	49.38%
Washoe Co. Residential Building Permit Value (SA, CPI)*	47,942,516	46,805,335	2.43%	37,269,625	28.64%
Washoe Co. Residential Building Permit Units (SA)*	354	353	0.33%	242	46.50%
Construction Index Result	116.46	119.28	-2.37%	88.66	31.34%

However, the construction industry in the region is still growing at a high rate, with the index increasing by 31.34% from the same period last year (July 2016 and 2017).

Source: Current Employment Statistics-Bureau of Labor Statistics and Building Departments of City of Reno, City of Sparks, and Washoe County.

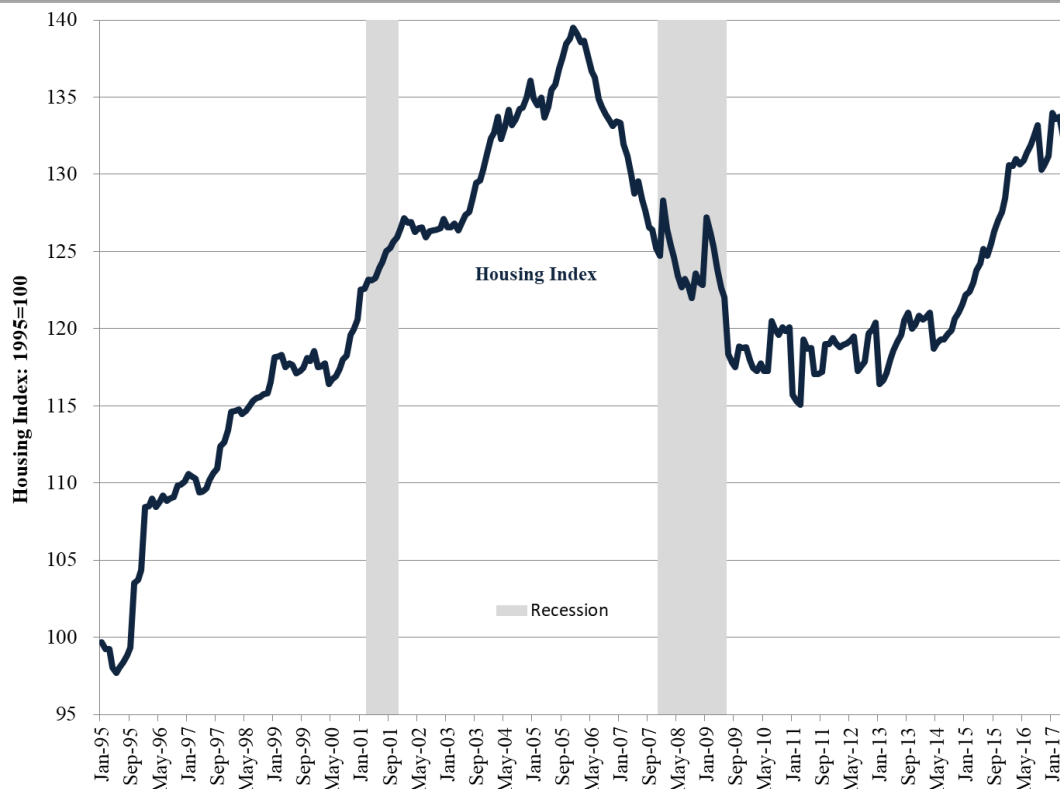
SA-Series results are seasonally adjusted. CPI-Series results are adjusted for inflation to 2001.

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

Reno MSA Single-Family Housing Index

Reno MSA Single-Family Housing Index increased between June and July 2017, the third consecutive increase in the index since a decrease in April 2017.

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



The index increased by 0.58% between June and July 2017, after a decline (0.99%) in April 2017 and increases in May and June 2017. Of importance is the increase in the Housing Opportunity Index from 49.0 to 50.1, indicating a slightly higher percentage of area residents

can afford a home in the region.

The index increased by 1.69% compared to the same period previous year (July 2016 and 2017).

Series	Latest Period- July 2017	Prev.Period- June 2017	Change Prev. Period	Prev. Year- July 2016	Change Prev. Year
CES Employment (Reno MSA, SA)	224,658	224,158	0.22%	216,258	3.88%
New and Existing Homes Sold (Washoe Co., SA)	719	717	0.33%	712	1.02%
Median Price of New/Existing Homes (Washoe Co., SA, CPI)	205,389	202,678	1.34%	195,666	4.97%
Housing Opportunity Index (Reno MSA)-estimated	50.1	49.0	2.24%	56.1	-10.70%
Housing Index Result	134.14	133.37	0.58%	131.91	1.69%

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.