

For Nevada's housing market, 2015 marked a year of steady across-the-board improvement. Some key metrics rebounded after a lackluster 2014, while others continued their strong annual growth trends from the year before. Most industry indicators remain below their pre-recession peak levels, but the widespread gains in 2015 set a solid foundation for continued growth into 2016.

Economic Briefing

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Throughout the state, home prices reported positive growth that pushed Nevada's seasonally adjusted house price index up 12.7 percent in the fourth quarter. That year-over-year growth rate led the nation and returned Nevada to first place in the national rankings after spending the year's other three quarters in either second or third place. In 2014, Nevada topped the national rankings in year-over-year home price appreciation in every quarter.

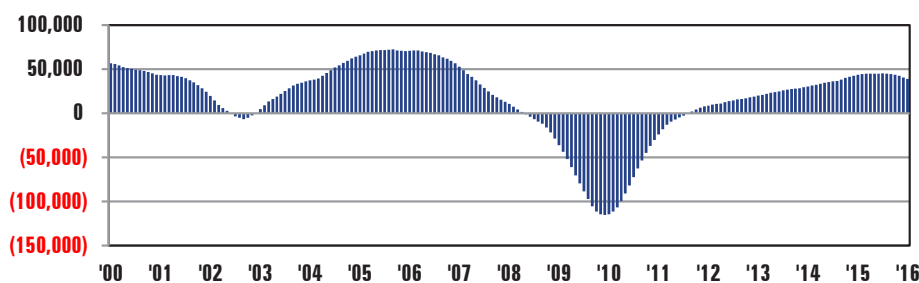
At the regional level, both southern and northern Nevada reported annual home price increases for both the existing and new home markets. In the Las Vegas area, the trailing 12-month median existing home price climbed to \$183,606. The 9.1-percent annual growth rate was notable; however, it was not as high as the 13.7 percent reported in 2014. Existing home prices grew faster in Washoe County, where the trailing 12-month median existing home price increased 14.7 percent to \$269,192. Washoe County's 2015 growth outperformed the 13.6-percent growth of the prior year.

While new home prices improved, their growth rate slowed markedly compared to the previous year. In the Las Vegas area, the trailing 12-month median new home price rose 7.0 percent to \$312,423, an eight-year high. However, the price growth represented a 5-point drop from the 12.3-percent growth the year before. Meanwhile, in Washoe County new home price growth did not keep pace with the Southern Nevada market. The trailing 12-month median new home price of \$343,726 was 4.5 percent higher than in 2014, yet that growth rate was well off the 12.0-percent growth recorded a year earlier.

The home price gains in 2015 helped reduce the number of underwater homes in Nevada to 18.7 percent in the fourth quarter, according to real estate research firm CoreLogic. That was an improvement from the 24.2 percent reported the prior year, yet Nevada still led the nation with the highest share of underwater homes. On a local level, the Las Vegas metropolitan area closed 2015 with the second-highest share of underwater homes at 21.3 percent.

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NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



MONTHLY Employment Indicators

Nevada Employment		Jan-16
Current Period	Prev. Period	Same Period Prev. Yr.
1,258,200	1,274,300	1,228,800
GROWTH RATE	-1.3% ▼	2.4% ▲

Nevada Private Average Weekly Hours Worked		Jan-16
Current Period	Prev. Period	Same Period Prev. Yr.
33.2	33.4	33.2
GROWTH RATE	-0.6% ▼	0.0% ◀

Nevada Unemployment Rate		Jan-16
Current Period	Prev. Period	Same Period Prev. Yr.
6.2%	6.3%	7.1%
GROWTH RATE	-0.1% ▼	-0.9% ▼

TRAILING 12-MONTH Employment Indicators

Nevada Employment ⁽¹⁾		Jan-16
Current Period	Prev. Period	Same Period Prev. Yr.
1,260,042	1,257,592	1,220,908
GROWTH RATE	0.2% ▲	3.2% ▲

Nevada Private Average Weekly Hours Worked ⁽¹⁾		Jan-16
Current Period	Prev. Period	Same Period Prev. Yr.
33.6	33.6	33.4
GROWTH RATE	0.0% ◀	0.5% ▲

Nevada Unemployment Rate ⁽¹⁾		Jan-16
Current Period	Prev. Period	Same Period Prev. Yr.
6.6%	6.7%	7.8%
GROWTH RATE	-0.1% ▼	-1.2% ▼

Notes: (1) Trailing 12-month/4-quarter averages.
(2) Trailing 12-month/4-quarter totals.

MONTHLY & QUARTERLY
Economic Indicator Series

Nevada Initial Unemployment Insurance Claims

Jan-16

Current Period	Prev. Period	Same Period Prev. Yr.
13,742	14,528	15,572
GROWTH RATE	-5.4% ▼	-11.8% ▼

Nevada Residential Housing Units Permitted

Dec-15

Current Period	Prev. Period	Same Period Prev. Yr.
1,015	1,112	841
GROWTH RATE	-8.7% ▼	20.7% ▲

Nevada Taxable Retail Sales

Dec-15

Current Period	Prev. Period	Same Period Prev. Yr.
\$5,123,538,495	\$4,212,911,244	\$4,867,073,033
GROWTH RATE	21.6% ▲	5.3% ▲

Nevada Gross Gaming Revenue

Jan-16

Current Period	Prev. Period	Same Period Prev. Yr.
\$925,316,080	\$982,060,730	\$952,665,050
GROWTH RATE	-5.8% ▼	-2.9% ▼

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Jan-16

Current Period	Prev. Period	Same Period Prev. Yr.
3,811,565	3,955,437	3,556,570
GROWTH RATE	-3.6% ▼	7.2% ▲

Clark/Washoe County Visitor Volume

Jan-16

Current Period	Prev. Period	Same Period Prev. Yr.
4,030,332	3,817,198	3,980,927
GROWTH RATE	5.6% ▲	1.2% ▲

Nevada New Business Creation

Q3 '15

Current Period	Prev. Period	Same Period Prev. Yr.
524	688	455
GROWTH RATE	-23.8% ▼	15.2% ▲

Nevada Housing Price Index

(Q1 1991 = 100)

Q4 '15

Current Period	Prev. Period	Same Period Prev. Yr.
199.3	193.4	176.8
GROWTH RATE	3.0% ▲	12.7% ▲

Clark County Office Market

Vacancy Rate

Q4 '15

Current Period	Prev. Period	Same Period Prev. Yr.
23.1%	23.2%	23.6%
GROWTH RATE	-0.1% ▼	-0.5% ▼

Nevada Hotel/Motel Occupancy

Q3 '15

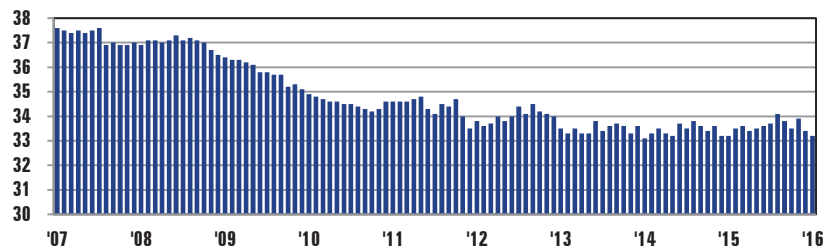
Current Period	Prev. Period	Same Period Prev. Yr.
85.3%	84.6%	83.4%
GROWTH RATE	0.7% ▲	1.9% ▲

State of Nevada Personal Income

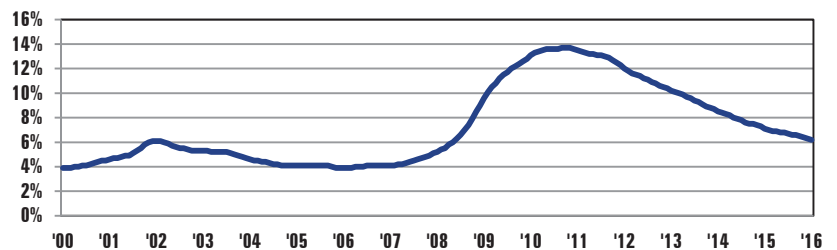
Q3 '15

Current Period	Prev. Period	Same Period Prev. Yr.
\$30,755,219,500	\$30,397,877,250	\$29,029,752,000
GROWTH RATE	1.2% ▲	5.9% ▲

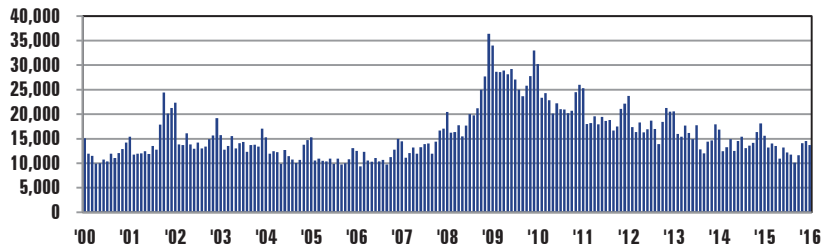
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



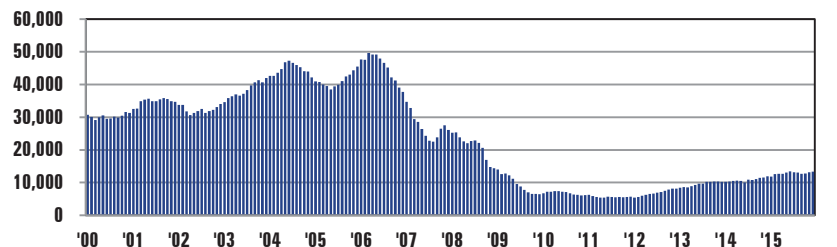
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



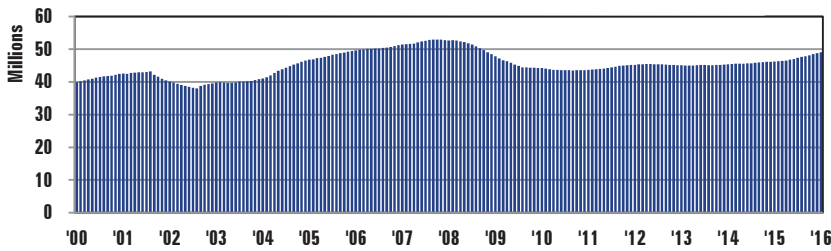
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



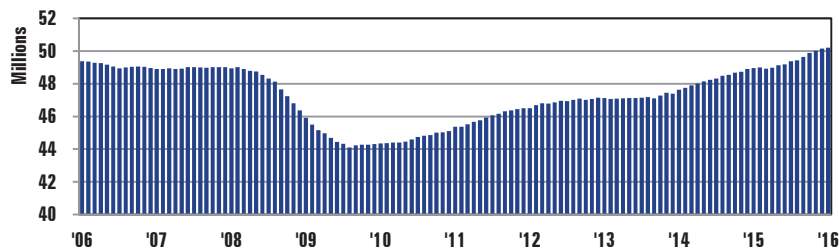
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



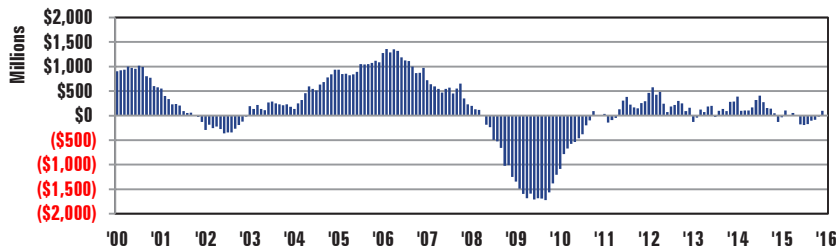
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



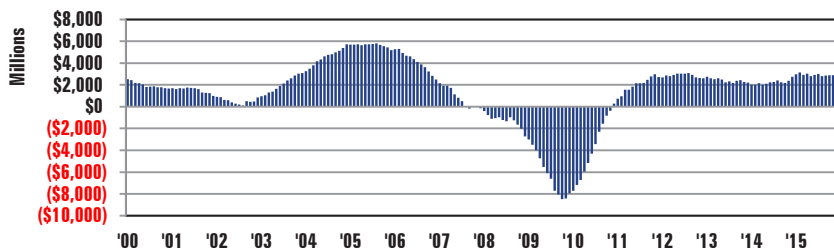
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



GROWTH IN NEVADA GROSS GAMING REVENUE
TRAILING 12-MONTH TOTALS



GROWTH IN NEVADA TAXABLE RETAIL SALES
TRAILING 12-MONTH TOTALS



TRAILING 12-MONTH
Economic Indicator Series

Nevada Initial Unemployment Insurance Claims ⁽²⁾

		Jan-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
153,030	154,860	173,939	
GROWTH RATE	-1.2% ▼	-12.0% ▼	

Nevada Residential Housing Units Permitted ⁽²⁾

		Dec-15	
Current Period	Prev. Period	Same Period	Prev. Yr.
13,385	13,211	11,916	
GROWTH RATE	1.3% ▲	12.3% ▲	

Nevada Taxable Retail Sales ⁽²⁾

		Dec-15	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$51,706,059,195	\$51,449,593,733	\$49,018,937,818	
GROWTH RATE	0.5% ▲	5.5% ▲	

Nevada Gross Gaming Revenue ⁽²⁾

		Jan-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$11,086,568,262	\$11,113,917,232	\$11,086,953,472	
GROWTH RATE	-0.2% ▼	0.0% ▼	

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers ⁽²⁾

		Jan-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
49,076,726	48,821,731	46,214,351	
GROWTH RATE	0.5% ▲	6.2% ▲	

Clark/Washoe County Visitor Volume ⁽²⁾

		Jan-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
50,203,786	50,154,381	48,961,777	
GROWTH RATE	0.1% ▲	2.5% ▲	

Nevada New Business Creation ⁽²⁾

		Q3 '15	
Current Period	Prev. Period	Same Period	Prev. Yr.
2,694	2,625	1,711	
GROWTH RATE	2.6% ▲	57.5% ▲	

Nevada Housing Price Index ⁽¹⁾

		Q4 '15	
Current Period	Prev. Period	Same Period	Prev. Yr.
191.1	185.5	170.7	
GROWTH RATE	3.0% ▲	11.9% ▲	

Clark County Office Market Vacancy Rate ⁽¹⁾

		Q4 '15	
Current Period	Prev. Period	Same Period	Prev. Yr.
23.3%	23.5%	23.9%	
GROWTH RATE	-0.2% ▼	-0.6% ▼	

Nevada Hotel/Motel Occupancy ⁽¹⁾

		Q3 '15	
Current Period	Prev. Period	Same Period	Prev. Yr.
81.6%	81.2%	80.6%	
GROWTH RATE	0.4% ▲	1.0% ▲	

State of Nevada Personal Income ⁽²⁾

		Q3 '15	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$123,020,878,000	\$121,591,509,000	\$116,119,008,000	
GROWTH RATE	1.2% ▲	5.9% ▲	

Notes: (1) Trailing 12-month/4-quarter averages. (2) Trailing 12-month/4-quarter totals.

Continued From Cover

Home-selling activity picked up in 2015, marking a turnaround after declines in 2014. In Las Vegas, existing home sales for the year climbed to 43,127 (+1.8 percent), a significant improvement from the 11.0-percent drop in growth the year before. Washoe County reported an even larger reversal in existing home closings, which grew 9.2 percent to 6,912. In 2014, that figure had declined by 5.5 percent from the prior year. New home closings in Las Vegas last year reached 6,950, a 13.8-percent increase from 2014 made more notable compared to the 13.7-percent decline in annual growth between 2013 and 2014. In Washoe County, new home closings last year surged 50.0 percent to 1,458.

The foreclosure picture in Nevada steadily improved last year as new filings dropped to a post-recession low of 5,404, a 25.2-percent decline from 2014. The number of homes in foreclosure also showed marked decline. In the fourth quarter of 2015, the number of homes in foreclosure dipped 31.5 percent to 9,799, which is a fraction of the 56,028 homes in foreclosure at the peak in early 2010.

Trends in the overall economy, particularly job and population growth, suggest that demand for homes will continue to rise. Price points will be a key element to monitor throughout 2016 as price gains may tighten due to growing concerns over affordability.

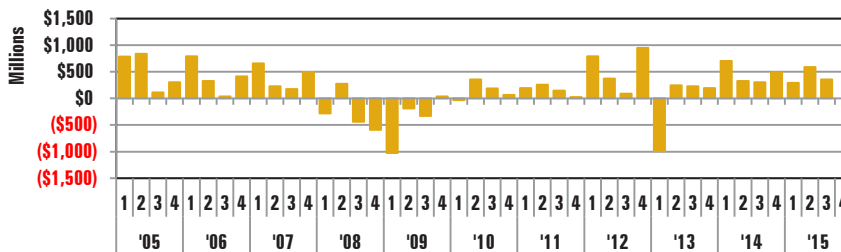
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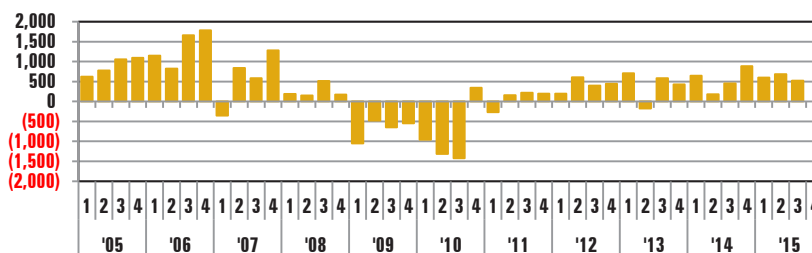
appliedanalysis.com

Methodology: Applied Analysis ("AA") was retained by Nevada State Bank to summarize and analyze a series of key economic indicators on a recurring basis. Relevant data were obtained from AA's internal databases as well as national, regional and local data providers, including, without limitation, state and local governments. While we have no reason to doubt the accuracy of any of the data reported, we have not performed an audit or assurance procedures on these data, and as such, we cannot attest to their completeness. Generally speaking, data reported are for Nevada, Clark County, Washoe County, or the metropolitan areas therein. Please note that these geographies may differ slightly between data providers.

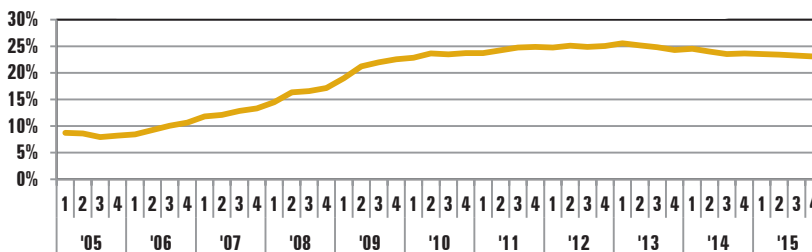
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



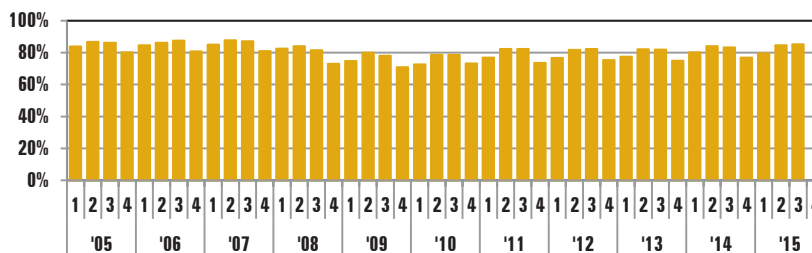
NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



NEVADA STATE BANK

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