

Within the past year, a number of multimillion-dollar investment projects have been announced or broken ground in southern Nevada. The list includes new properties, expansions or rebrands of existing resorts, and a variety of entertainment and retail projects that expanded Las Vegas's nongaming amenities. This recent surge in activity signals a renewed confidence in the Las Vegas tourism sector that is grounded in the industry's rapidly improving fundamental indicators.

Economic Briefing

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In all, over \$13.6 billion is currently earmarked for southern Nevada tourism-related investments that are either planned, proposed or under construction. In the past six months, announced projects include the \$1.6 billion Wynn Paradise Park, a \$1.4 billion domed football stadium proposal by Las Vegas Sands and Majestic Realty, the \$450 million Monte Carlo redesign as Park MGM, and a 17,500-seat music venue by Las Vegas Sands and Madison Square Garden Co. These new projects join a number of under-construction or recently completed projects, including the \$4 billion Resorts World Las Vegas, \$375 million T-Mobile Arena, \$373 million Lucky Dragon Hotel and Casino, the \$70 million Mandalay Bay Convention Center expansion and a \$72 million remodel of the Thomas & Mack Center.

The influx of investment is closely tied to the rising trend in overall Las Vegas visitation. During the recession, southern Nevada's leisure and hospitality industry was hit hard, dropping by 2.9 million annual visitors to a low of 36.4 million in 2009. Since then, visitation has

recovered and surpassed pre-recession highs, setting annual visitor records in 2012, 2014 and 2015. Visitor volume in Las Vegas is on pace to set another high this year. Visitation reached a record of 42.7 million visitors in the 12 months through April 2016, which represented a 3.6 percent increase over April 2015. Visitation trends since the end of 2013 have been particularly strong, growing 7.6 percent with the addition of 3.0 million visitors.

The convention segment of Las Vegas visitation has outperformed broader trends in recent months. In April 2016, trailing 12-month convention attendance climbed 14.9 percent, and the 6.0 million conventioners during that period marked the highest 12-month total since October 2008. Although the number of annual convention delegates has not returned to pre-recession peaks, the latest figures were just 5.5 percent below the high of 6.4 million annual delegates reported in May 2007. Amid the recent growth trend in convention attendance, a number of recently completed or planned projects involve expanding space to capture

MONTHLY Employment Indicators

Nevada Employment		Apr-16
Current Period	Prev. Period	Same Period Prev. Yr.
1,283,800	1,277,100	1,253,600
GROWTH RATE	0.5% ▲	2.4% ▲

Nevada Private Average Weekly Hours Worked		Apr-16
Current Period	Prev. Period	Same Period Prev. Yr.
33.5	33.2	33.4
GROWTH RATE	0.9% ▲	0.3% ▲

Nevada Unemployment Rate		Apr-16
Current Period	Prev. Period	Same Period Prev. Yr.
5.8%	5.8%	6.9%
GROWTH RATE	0.0% ◆	-1.1% ▼

TRAILING 12-MONTH Employment Indicators

Nevada Employment ⁽¹⁾		Apr-16
Current Period	Prev. Period	Same Period Prev. Yr.
1,267,975	1,265,458	1,232,267
GROWTH RATE	0.2% ▲	2.9% ▲

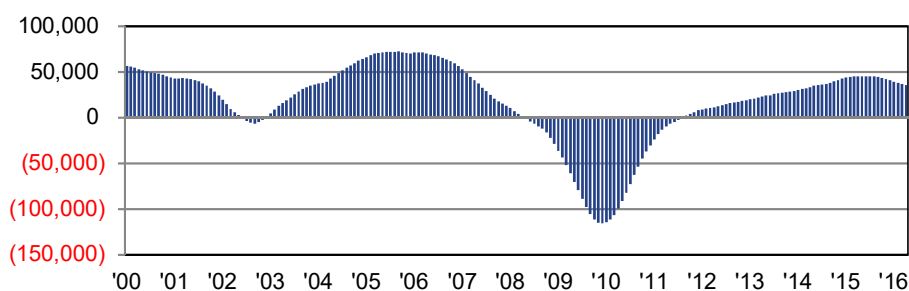
Nevada Private Average Weekly Hours Worked ⁽¹⁾		Apr-16
Current Period	Prev. Period	Same Period Prev. Yr.
33.6	33.6	33.5
GROWTH RATE	0.0% ◆	0.2% ▲

Nevada Unemployment Rate ⁽¹⁾		Apr-16
Current Period	Prev. Period	Same Period Prev. Yr.
6.4%	6.5%	7.4%
GROWTH RATE	-0.1% ▼	-1.0% ▼

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

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NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



MONTHLY & QUARTERLY
Economic Indicator Series

Nevada Initial Unemployment Insurance Claims

Apr-16

Current Period	Prev. Period	Same Period Prev. Yr.
10,842	10,924	13,550
GROWTH RATE	-0.8% ▼	-20.0% ▼

Nevada Residential Housing Units Permitted

Mar-16

Current Period	Prev. Period	Same Period Prev. Yr.
1,306	2,042	1,143
GROWTH RATE	-36.0% ▼	14.3% ▲

Nevada Taxable Retail Sales

Mar-16

Current Period	Prev. Period	Same Period Prev. Yr.
\$4,690,516,750	\$4,026,863,019	\$4,549,164,085
GROWTH RATE	16.5% ▲	3.1% ▲

Nevada Gross Gaming Revenue

Apr-16

Current Period	Prev. Period	Same Period Prev. Yr.
\$876,070,887	\$922,343,871	\$897,974,105
GROWTH RATE	-5.0% ▼	-2.4% ▼

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Apr-16

Current Period	Prev. Period	Same Period Prev. Yr.
4,185,823	4,386,231	4,041,898
GROWTH RATE	-4.6% ▼	3.6% ▲

Clark/Washoe County Visitor Volume

Apr-16

Current Period	Prev. Period	Same Period Prev. Yr.
4,234,488	4,449,146	4,180,688
GROWTH RATE	-4.8% ▼	1.3% ▲

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	176.6
GROWTH RATE	3.0% ▲	12.8% ▲

Clark County Office Market

Vacancy Rate

Q1 '16

Current Period	Prev. Period	Same Period Prev. Yr.
21.3%	22.0%	22.9%
GROWTH RATE	-0.7% ▼	-1.6% ▼

Nevada Hotel/Motel Occupancy

Q4 '15

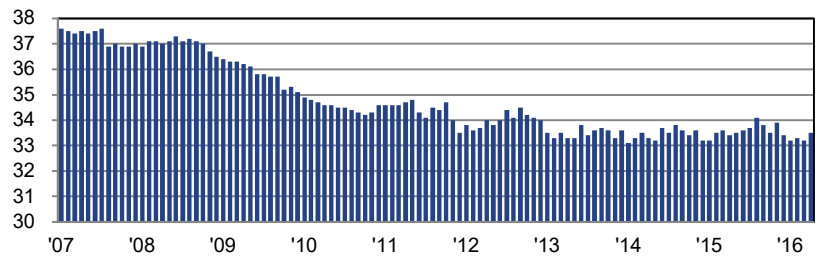
Current Period	Prev. Period	Same Period Prev. Yr.
79.2%	85.3%	77.0%
GROWTH RATE	-6.1% ▼	2.2% ▲

State of Nevada Personal Income

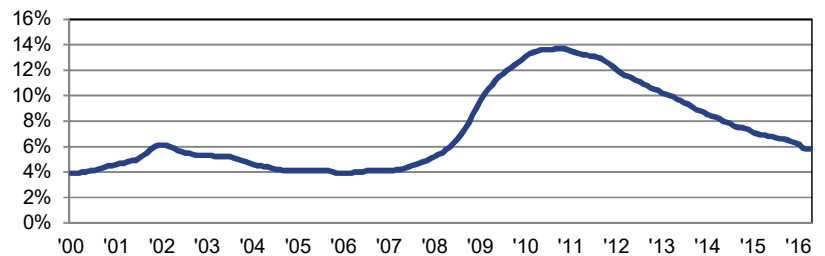
Q4 '15

Current Period	Prev. Period	Same Period Prev. Yr.
\$31,026,728,000	\$30,724,718,000	\$29,518,750,000
GROWTH RATE	1.0% ▲	5.1% ▲

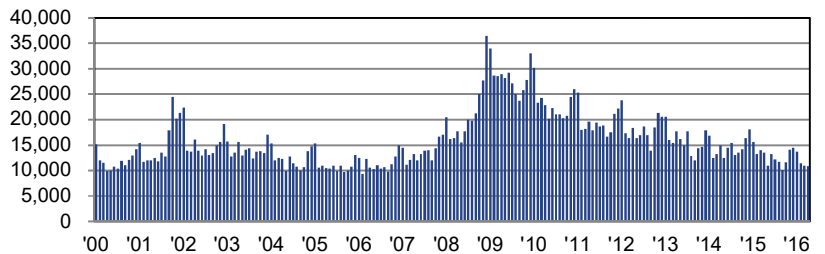
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



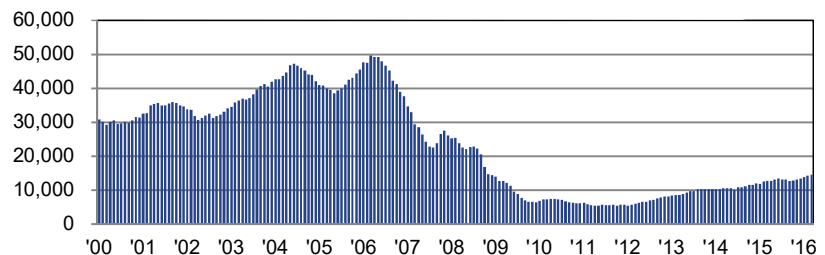
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



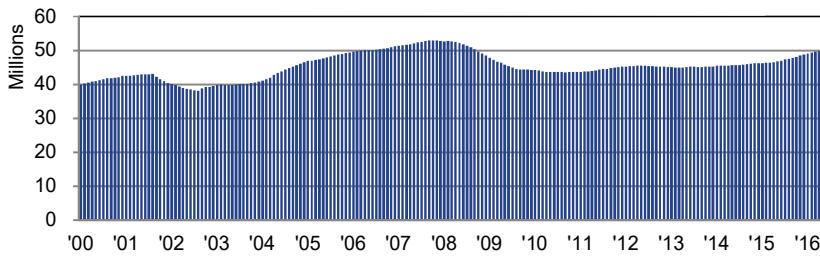
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



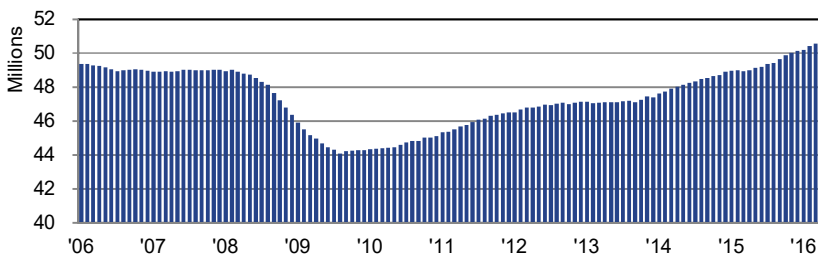
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



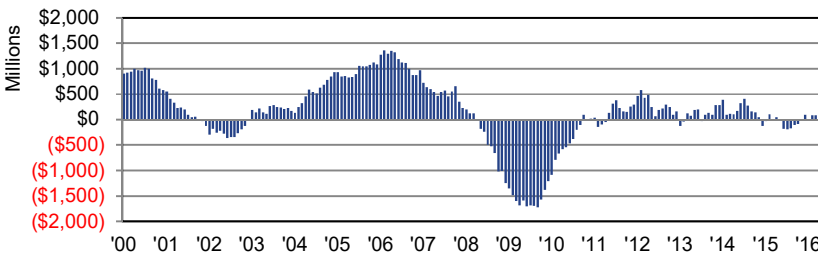
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



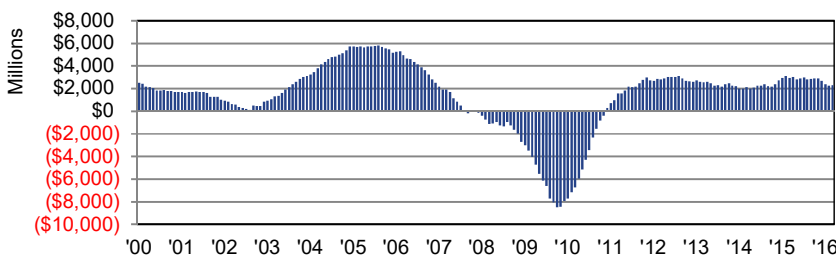
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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⁾

		Apr-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
145,405	148,113		174,121
GROWTH RATE	-1.8% ▼		-16.5% ▼

Nevada Residential Housing Units Permitted⁽²⁾

		Mar-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
14,492	14,329		12,656
GROWTH RATE	1.1% ▲		14.5% ▲

Nevada Taxable Retail Sales⁽²⁾

		Mar-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$52,050,763,203	\$51,909,410,538		\$49,747,236,949
GROWTH RATE	0.3% ▲		4.6% ▲

Nevada Gross Gaming Revenue⁽²⁾

		Apr-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$11,110,308,045	\$11,132,211,263		\$11,091,965,539
GROWTH RATE	-0.2% ▼		0.2% ▲

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

		Apr-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
49,781,946	49,638,021		46,564,039
GROWTH RATE	0.3% ▲		6.9% ▲

Clark/Washoe County Visitor Volume⁽²⁾

		Apr-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
50,624,927	50,571,127		48,975,501
GROWTH RATE	0.1% ▲		3.4% ▲

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	
<i>(Q1 1991 = 100)</i>			
Current Period	Prev. Period	Same Period	Prev. Yr.
191.1	185.4		170.8
GROWTH RATE	3.1% ▲		11.9% ▲

Clark County Office Market Vacancy Rate⁽¹⁾

		Q1 '16	
Current Period	Prev. Period	Same Period	Prev. Yr.
22.1%	22.5%		23.2%
GROWTH RATE	-0.4% ▼		-1.2% ▼

Nevada Hotel/Motel Occupancy⁽¹⁾

		Q4 '15	
Current Period	Prev. Period	Same Period	Prev. Yr.
82.2%	81.6%		81.2%
GROWTH RATE	0.6% ▲		1.0% ▲

State of Nevada Personal Income⁽²⁾

		Q4 '15	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$124,106,912,000	\$122,898,872,000		\$118,075,000,000
GROWTH RATE	1.0% ▲		5.1% ▲

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

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convention and meeting business. These include the recently completed Mandalay Bay Convention Center expansion, the planned \$1.4 billion Las Vegas Convention Center expansion and renovation, and smaller planned projects at ARIA and Wynn Las Vegas that will increase convention and meeting space.

A key component of southern Nevada's tourism economy is McCarran International Airport, which is the first stop in Las Vegas for roughly four out of 10 visitors. Annual passenger traffic at McCarran surged 6.9 percent in April 2016 to 46.3 million. That total represents a 16.4 percent improvement over the post-recession low of 39.7 million passengers in the 12 months through September 2010. The majority of that growth has been realized since the end of 2014. Since then, annual passenger totals have grown by 4.4 million, or 10.5 percent. McCarran is well positioned for this growth due to the 2012 opening of the \$2.4 billion Terminal 3 and ongoing improvements that include a current \$51 million infrastructure project.

The recent growth trends in visitor volume, convention attendance and airport traffic, particularly over the past 18 months, are a welcome sign for a southern Nevada economy that struggled through the economic downturn. They are also welcome to investors who, after a long period of caution, are once again committing significant capital resources to large-scale projects throughout the community.

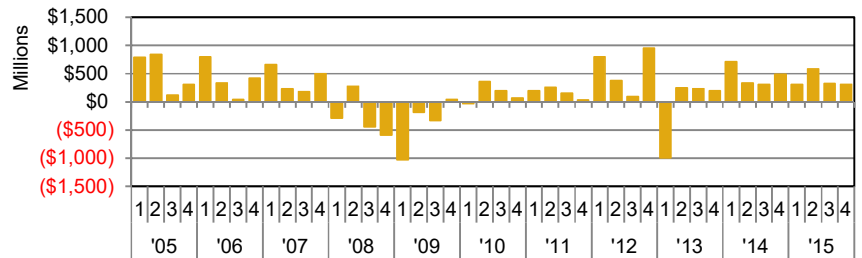
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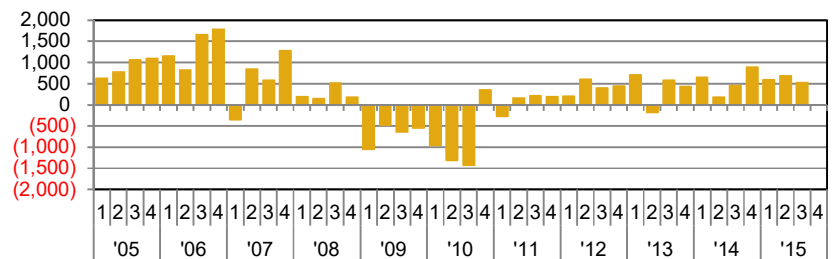
appliedanalysis.

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.

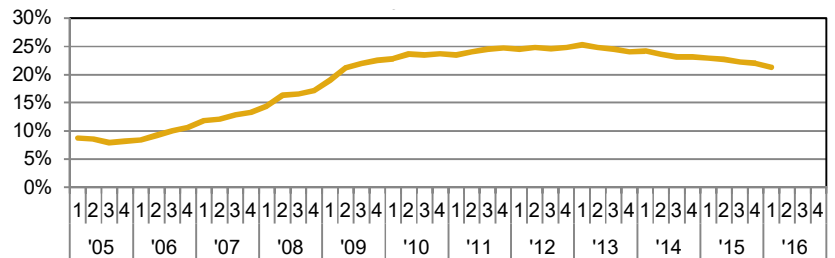
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



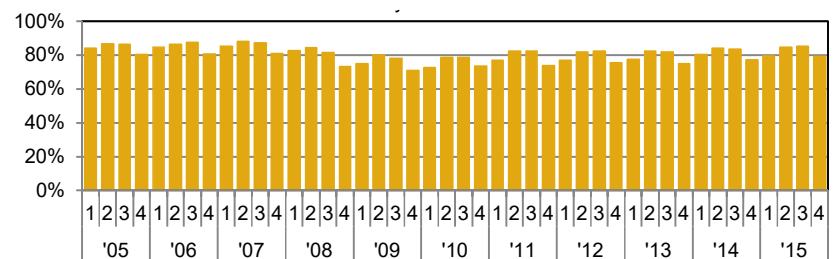
NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



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