

Over the past decade, the construction industry in Nevada has expanded and shrunk along with the highs and lows of the state economy. Today, the industry that was hardest hit during the economic downturn is booming again as Nevada's fastest-growing employment sector of the economy. This resurgence has had positive effects not only to those employed within the sector, but also to the overall state economy by adding jobs and infrastructure to meet the rising demands of a fast-growing state.

Over the past year, Nevada has consistently recorded some of the best job growth in the nation, and the construction sector has been a key component of that growth. Through July 2017, total employment in Nevada has expanded year-over-year for 79 consecutive months, with 43 of the past 44 months reaching or exceeding 3.0 percent. Statewide construction employment reached a post-recession high of 87,000 workers in July 2017, a gain of 12.7 percent over the previous year. For comparison, national construction sector employment rose only 2.5 percent during the same period. The rapid growth in Nevada's construction workforce has provided a significant boost to statewide employment numbers. Construction added 9,800 jobs over the past year, which accounted for 25.5 percent of the 38,400 new jobs across the state. The only sector to add more jobs was professional and business services with 11,400.

Statewide population growth has been an important factor in the growth of the construction industry. For five consecutive years, Nevada has ranked among the top 10 states with the fastest population growth,

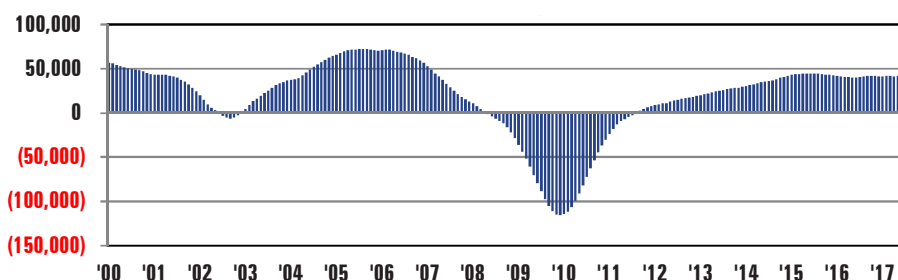
and last year it ranked second with 1.95 percent annual growth. Notably, the Las Vegas metropolitan area's population expanded at the fourth-fastest rate in the nation with 2.2 percent growth during the same period.

Steadily rising population and personal income in Nevada have elevated demand for new housing throughout the state, providing a key driver of construction industry growth. In Washoe County, 4,350 residential units were permitted for the 12 months through June 2017, the highest 12-month total in more than a decade and a 73.9 percent improvement over the June 2016 total of 2,501. In Clark County, the number of new home permit filings increased 10.5 percent to 8,910 during the same period. Both metropolitan areas of the state have reported quickly-appreciating resale home values, with increased closings and low inventory, which is placing additional pressure on home builders to deliver new product.

Nevada's resurgent economy has also generated a long list of commercial construction projects, including high-profile investments such as the Tesla Gigafactory, T-Mobile Arena, Resorts World Las Vegas, the expansion and

Continued on Back Cover »

NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



Economic Briefing

SEPTEMBER 2017

ISSUE NINE | VOLUME ELEVEN

MONTHLY Employment Indicators

Nevada Employment		Jul-17
Current Period	Prev. Period	Same Period Prev. Yr.
1,338,300	1,349,200	1,299,900
GROWTH RATE	-0.8%	3.0%

Nevada Private Average Weekly Hours Worked		Jul-17
Current Period	Prev. Period	Same Period Prev. Yr.
34.6	34.2	34.2
GROWTH RATE	1.2%	1.2%

Nevada Unemployment Rate		Jul-17
Current Period	Prev. Period	Same Period Prev. Yr.
4.8%	4.7%	6.5%
GROWTH RATE	0.1%	-1.7%

TRAILING 12-MONTH Employment Indicators

Nevada Employment ⁽¹⁾		Jul-17
Current Period	Prev. Period	Same Period Prev. Yr.
1,324,350	1,321,150	1,282,325
GROWTH RATE	0.2%	3.3%

Nevada Private Average Weekly Hours Worked ⁽¹⁾		Jul-17
Current Period	Prev. Period	Same Period Prev. Yr.
34.1	34.1	33.7
GROWTH RATE	0.1%	1.2%

Nevada Unemployment Rate ⁽¹⁾		Jul-17
Current Period	Prev. Period	Same Period Prev. Yr.
5.1%	5.3%	6.3%
GROWTH RATE	-0.2%	-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

Jul-17

Current Period	Prev. Period	Same Period Prev. Yr.
11,131	10,758	11,040
GROWTH RATE	3.5%	0.8%

Nevada Residential Housing Units Permitted

Jun-17

Current Period	Prev. Period	Same Period Prev. Yr.
1,576	1,818	1,422
GROWTH RATE	-13.3%	10.8%

Nevada Taxable Retail Sales

Jun-17

Current Period	Prev. Period	Same Period Prev. Yr.
\$5,109,965,054	\$4,820,041,932	\$4,872,754,936
GROWTH RATE	6.0%	4.9%

Nevada Gross Gaming Revenue

Jul-17

Current Period	Prev. Period	Same Period Prev. Yr.
\$997,972,643	\$895,710,849	\$1,015,558,545
GROWTH RATE	11.4%	-1.7%

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Jun-17

Current Period	Prev. Period	Same Period Prev. Yr.
4,565,196	4,525,954	4,472,718
GROWTH RATE	0.9%	2.1%

Clark/Washoe County Visitor Volume

Jul-17

Current Period	Prev. Period	Same Period Prev. Yr.
4,623,806	4,378,392	4,611,253
GROWTH RATE	5.6%	0.3%

Nevada New Business Creation

Q1 '17

Current Period	Prev. Period	Same Period Prev. Yr.
-2,702	109	1,589
GROWTH RATE	-2578.9%	-270.0%

Nevada Housing Price Index

(Q1 1991 = 100)

Q2 '17

Current Period	Prev. Period	Same Period Prev. Yr.
221.5	218.8	206.1
GROWTH RATE	1.2%	7.5%

Clark County Office Market Vacancy Rate

Q2 '17

Current Period	Prev. Period	Same Period Prev. Yr.
19.3%	19.7%	20.6%
GROWTH RATE	-0.4%	-1.3%

Nevada Hotel/Motel Occupancy

Q1 '17

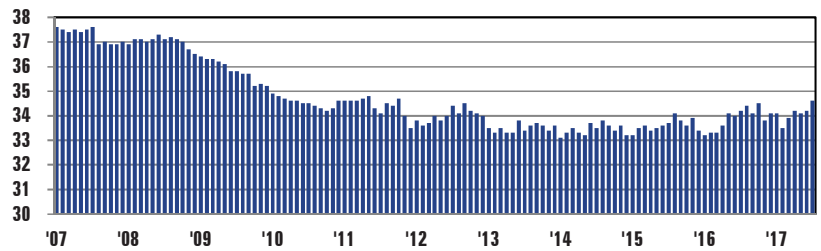
Current Period	Prev. Period	Same Period Prev. Yr.
81.5%	79.3%	80.9%
GROWTH RATE	2.2%	0.6%

State of Nevada Personal Income

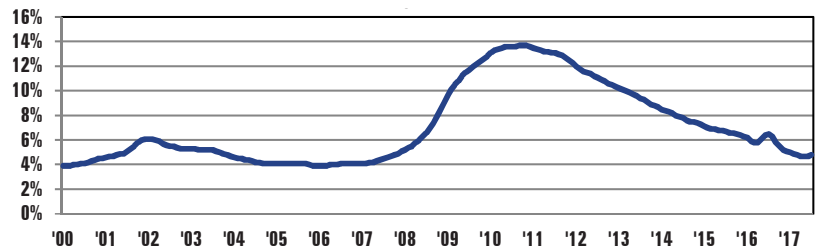
Q1 '17

Current Period	Prev. Period	Same Period Prev. Yr.
\$32,634,792,750	\$32,271,540,750	\$31,152,252,250
GROWTH RATE	1.1%	4.8%

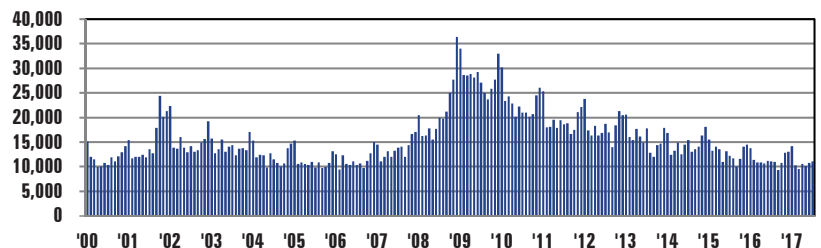
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



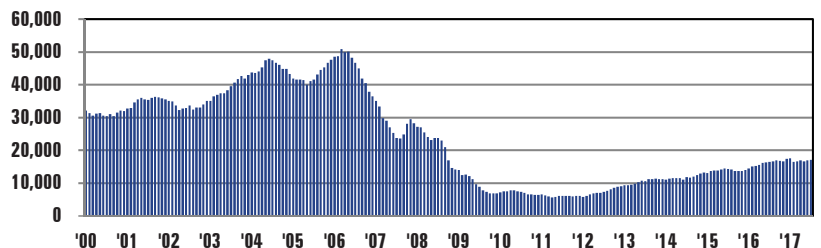
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES

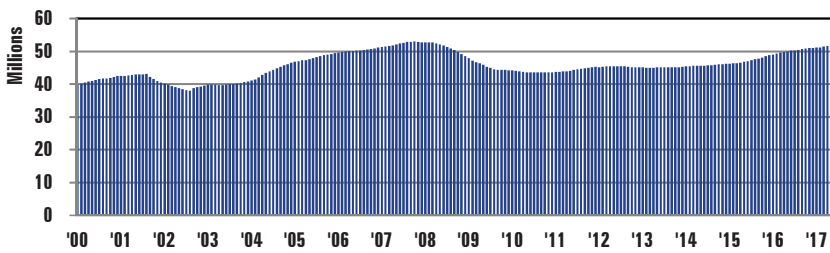


NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



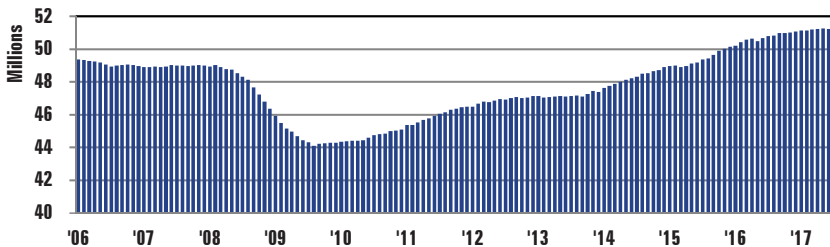
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS

TRAILING 12-MONTH TOTALS



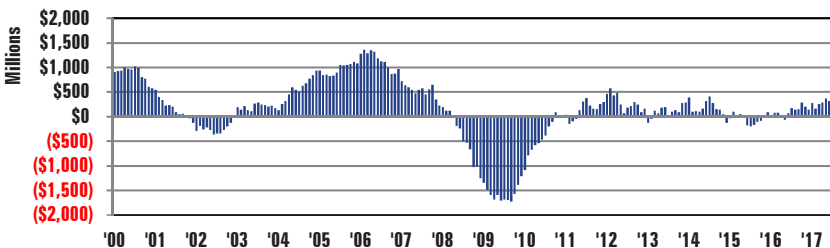
CLARK/WASHOE COUNTY VISITOR VOLUME

TRAILING 12-MONTH TOTALS



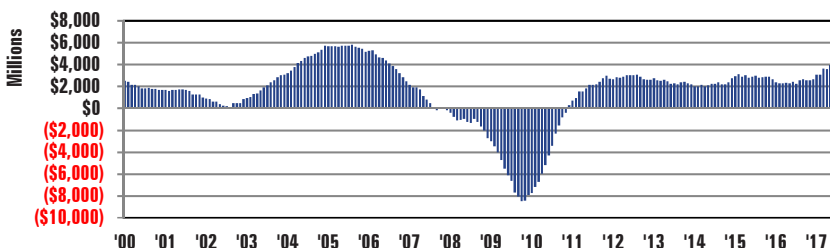
GROWTH IN NEVADA GROSS GAMING REVENUE

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⁾

Jul-17

Current Period	Prev. Period	Same Period Prev. Yr.
133,525	133,434	141,861
GROWTH RATE	0.1%	-5.9%

Nevada Residential Housing Units Permitted ⁽²⁾

Jun-17

Current Period	Prev. Period	Same Period Prev. Yr.
17,069	16,915	16,419
GROWTH RATE	0.9%	4.0%

Nevada Taxable Retail Sales ⁽²⁾

Jun-17

Current Period	Prev. Period	Same Period Prev. Yr.
\$56,547,741,530	\$56,310,531,412	\$52,788,295,421
GROWTH RATE	0.4%	7.1%

Nevada Gross Gaming Revenue ⁽²⁾

Jul-17

Current Period	Prev. Period	Same Period Prev. Yr.
\$11,427,085,825	\$11,444,671,727	\$11,213,937,250
GROWTH RATE	-0.2%	1.9%

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

Jun-17

Current Period	Prev. Period	Same Period Prev. Yr.
51,772,993	51,680,515	50,192,699
GROWTH RATE	0.2%	3.1%

Clark/Washoe County Visitor Volume ⁽²⁾

Jul-17

Current Period	Prev. Period	Same Period Prev. Yr.
51,230,740	51,218,187	50,793,780
GROWTH RATE	0.0%	0.9%

Nevada New Business Creation ⁽²⁾

Q1 '17

Current Period	Prev. Period	Same Period Prev. Yr.
-1,440	2,851	3,684
GROWTH RATE	-150.5%	-139.1%

Nevada Housing Price Index ⁽¹⁾

Q2 '17

Current Period	Prev. Period	Same Period Prev. Yr.
215.8	212.0	199.6
GROWTH RATE	1.8%	8.1%

Clark County Office Market Vacancy Rate ⁽¹⁾

(Q1 1991 = 100)

Q2 '17

Current Period	Prev. Period	Same Period Prev. Yr.
19.8%	20.2%	21.5%
GROWTH RATE	-0.4%	-1.7%

Nevada Hotel/Motel Occupancy ⁽¹⁾

Q1 '17

Current Period	Prev. Period	Same Period Prev. Yr.
83.1%	82.9%	82.5%
GROWTH RATE	0.1%	0.5%

State of Nevada Personal Income ⁽²⁾

Q1 '17

Current Period	Prev. Period	Same Period Prev. Yr.
\$130,539,171,000	\$129,086,163,000	\$124,609,009,000
GROWTH RATE	1.1%	4.8%

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

◀ Continued From Cover

renovation of the Las Vegas Convention Center, and the Las Vegas stadium. With over \$18.0 billion in investments currently under construction statewide (\$7.4 billion in southern Nevada and \$10.7 billion in northern Nevada), construction workers understand there is no shortage of projects within the state of Nevada. Another \$9.6 billion remains in “planned” status for future development. Statewide completed projects for 2017 have amounted to nearly \$645.9 million, with several hundred million more to complete by year’s end.

Construction workers nationwide flock to where the work is, and these opportunities will continue to attract a much-needed supply of construction workers to Nevada, where they can earn nearly 50 percent more in wages compared to the national average. Fast growth in the construction sector may warrant some caution, particularly given the memories of the boom period leading into the Great Recession. Today, construction employment accounts for 6.5 percent of the workforce, which is about a third higher than the national average. However, that figure is only about half the pre-recession peak of 11.5 percent in June 2006, an indication of a more diverse economy that is less susceptible to the volatility of the construction sector.

Nevada’s construction industry has experienced a notable turnaround in recent years, and that momentum is likely to continue as ongoing population growth drives overall expansion of the economy and demand for new homes and businesses.

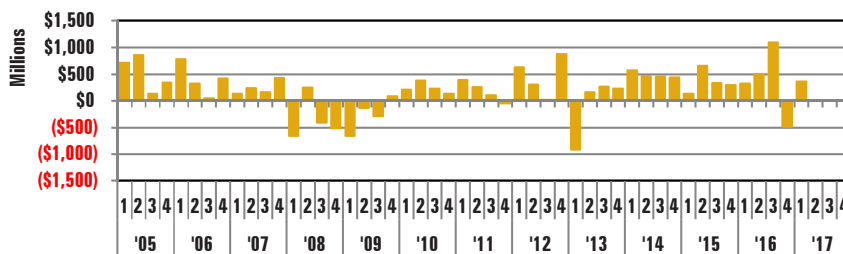
Prepared by:



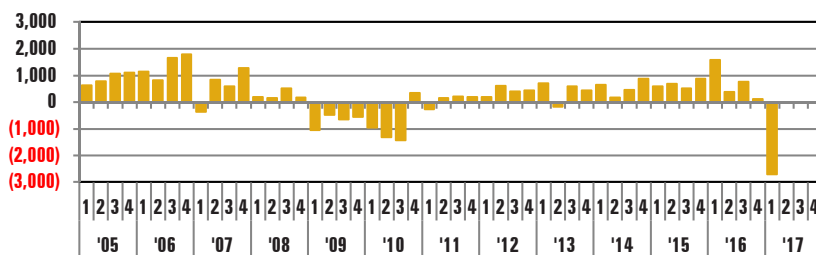
appliedanalysis.com

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.

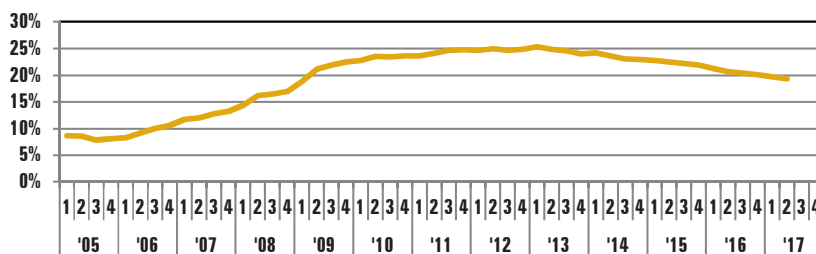
NEVADA PERSONAL INCOME GROWTH QUARTER-OVER-QUARTER



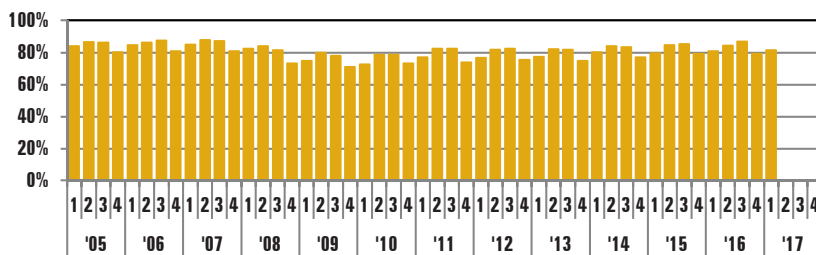
NEVADA NEW BUSINESS CREATION QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY QUARTERLY SERIES



NEVADA STATE BANK

THE DOOR TO YOUR FUTURE



A division of ZB, N.A. Member FDIC