

The leisure and hospitality industry is the most important sector in Nevada, directly employing more than one out of every four workers across the state and generating 20 percent of all worker wages. Given the industry's role in the state, its trajectory and trends play key roles in the health of the overall economy. Nevada's tourism industry closed 2017 in mostly positive territory, with underlying fundamentals pointing to near-term stability and ongoing investments suggesting growth on the horizon.

After setting annual visitation records for three consecutive years, the Las Vegas area recorded 42.2 million visitors in 2017, a 1.7 percent annual decline. The Las Vegas Convention and Visitors Authority attributed the slight decrease to a number of factors. The closure of some smaller hotels reduced room inventory by roughly 400 from 2016 levels, and renovations at multiple properties throughout southern Nevada temporarily reduced the number of rooms available for rent. Additionally, the 1 October tragedy factored in a downward visitation trend in the final quarter of 2017, resulting in a slight decline in annual occupancy rate to 88.6 percent.

In contrast to those declines, other industry indicators reported strong results for the year. Average daily room rate finished 2017 at \$129.41, a 2.7 percent increase over 2016. Rising room rates translated into increased revenue per available room, which improved 2.0 percent to \$114.59.

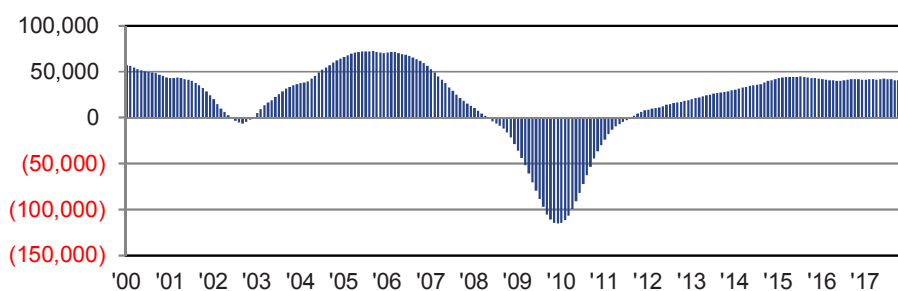
Although overall visitation declined, the convention visitor segment reported a record year. Convention attendance rose 5.3 percent to 6.6 million in 2017, continuing a seven-year upward trend. The growth of the convention market has been an important element in southern Nevada's tourism industry, and its impact should rise with the completion of multiple projects that will both increase the region's available meeting space as well as improve the quality of existing space. The largest such project is the \$1.4 billion expansion and renovation of the Las Vegas Convention Center, and MGM Resorts International, Caesars Entertainment, and Wynn Resorts are also in

the process of adding convention space. In all, those projects will increase available space by 1.3 million square feet, or the equivalent of the fifth-largest convention center in the country. Las Vegas has been named the top trade show destination in the nation for 23 consecutive years by the Trade Show News Network, and these new projects will allow the region to solidify its position in the market and attract even more conventions and meetings in future years.

Nearly half of Las Vegas visitors arrive via McCarran International Airport, which set an annual record in 2017 with 48.5 million passengers. That total improved upon the 2016 number by 2.3 percent and it surpassed the previous record set in 2007 by nearly 800,000 passengers. Gross gaming revenue in Clark County also reported gains, growing by 2.7 percent in 2017 and approaching \$10 billion for the year. The last time gross gaming revenue exceeded \$10 billion for a year was 2007.

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NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



Economic Briefing

FEBRUARY 2018

ISSUE TWO | VOLUME TWELVE

MONTHLY

Employment Indicators

Nevada Employment		Dec-17
Current Period	Prev. Period	Same Period Prev. Yr.
1,369,300	1,363,100	1,325,900
GROWTH RATE	0.5% ▲	3.3% ▲

Nevada Private Average Weekly Hours Worked		Dec-17
Current Period	Prev. Period	Same Period Prev. Yr.
33.9	34.0	34.1
GROWTH RATE	-0.3% ▼	-0.6% ▼

Nevada Unemployment Rate		Dec-17
Current Period	Prev. Period	Same Period Prev. Yr.
5.0%	5.0%	5.1%
GROWTH RATE	0.0% ◆	-0.1% ▼

TRAILING 12-MONTH Employment Indicators

Nevada Employment ⁽¹⁾		Dec-17
Current Period	Prev. Period	Same Period Prev. Yr.
1,340,467	1,336,850	1,299,942
GROWTH RATE	0.3% ▲	3.1% ▲

Nevada Private Average Weekly Hours Worked ⁽¹⁾		Dec-17
Current Period	Prev. Period	Same Period Prev. Yr.
34.1	34.1	33.9
GROWTH RATE	0.0% ◆	0.7% ▲

Nevada Unemployment Rate ⁽¹⁾		Dec-17
Current Period	Prev. Period	Same Period Prev. Yr.
4.9%	4.9%	5.7%
GROWTH RATE	0.0% ◆	-0.8% ▼

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

Dec-17

Current Period	Prev. Period	Same Period Prev. Yr.
13,006	13,507	13,061
GROWTH RATE	-3.7% ▼	-0.4% ▼

Nevada Residential Housing Units Permitted

Dec-17

Current Period	Prev. Period	Same Period Prev. Yr.
1,457	2,032	1,914
GROWTH RATE	-28.3% ▼	-23.9% ▼

Nevada Taxable Retail Sales

Nov-17

Current Period	Prev. Period	Same Period Prev. Yr.
\$4,711,001,404	\$4,672,847,151	\$4,449,867,013
GROWTH RATE	0.8% ▲	5.9% ▲

Nevada Gross Gaming Revenue

Dec-17

Current Period	Prev. Period	Same Period Prev. Yr.
\$960,384,350	\$908,986,273	\$956,173,169
GROWTH RATE	5.7% ▲	0.4% ▲

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Nov-17

Current Period	Prev. Period	Same Period Prev. Yr.
4,206,319	4,675,849	4,135,477
GROWTH RATE	-10.0% ▼	1.7% ▲

Clark/Washoe County Visitor Volume

Dec-17

Current Period	Prev. Period	Same Period Prev. Yr.
3,816,884	3,930,064	3,876,053
GROWTH RATE	-2.9% ▼	-1.5% ▼

Nevada New Business Creation

Q2 '17

Current Period	Prev. Period	Same Period Prev. Yr.
732	-2,841	389
GROWTH RATE	125.8% ▲	88.2% ▲

Nevada Housing Price Index

(Q1 1991 = 100)

Q3 '17

Current Period	Prev. Period	Same Period Prev. Yr.
227.9	222.0	208.3
GROWTH RATE	2.6% ▲	9.4% ▲

Clark County Office Market

Vacancy Rate

Q4 '17

Current Period	Prev. Period	Same Period Prev. Yr.
18.7%	19.0%	20.1%
GROWTH RATE	-0.3% ▼	-1.4% ▼

Nevada Hotel/Motel Occupancy

Q3 '17

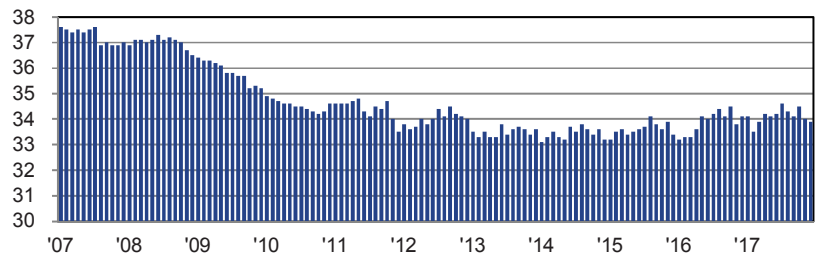
Current Period	Prev. Period	Same Period Prev. Yr.
87.1%	84.8%	87.0%
GROWTH RATE	2.3% ▲	0.1% ▲

State of Nevada Personal Income

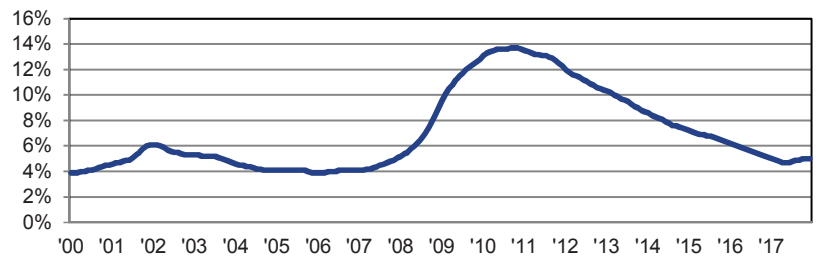
Q3 '17

Current Period	Prev. Period	Same Period Prev. Yr.
\$33,405,022,000	\$33,125,131,500	\$32,681,949,000
GROWTH RATE	0.8% ▲	2.2% ▲

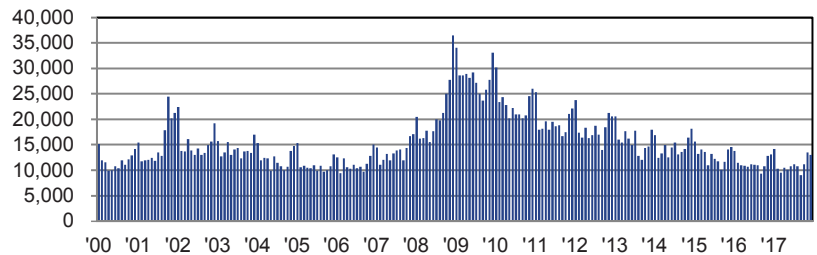
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



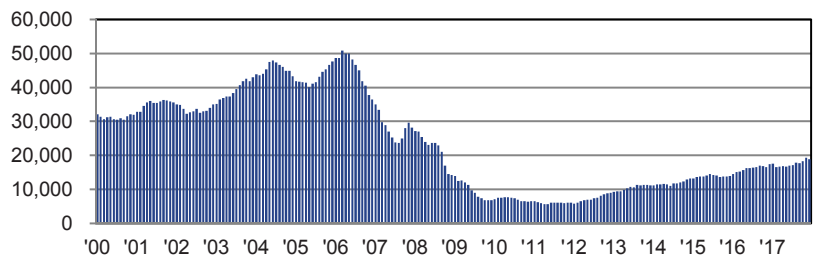
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



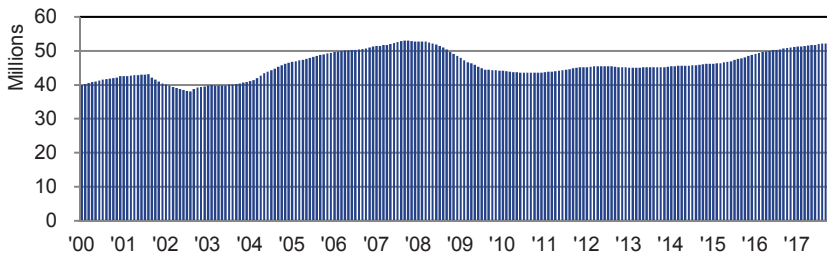
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



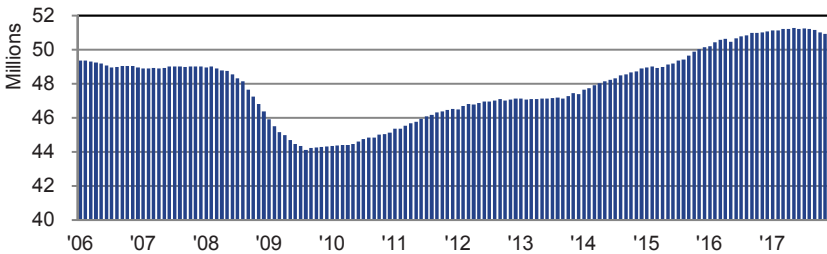
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



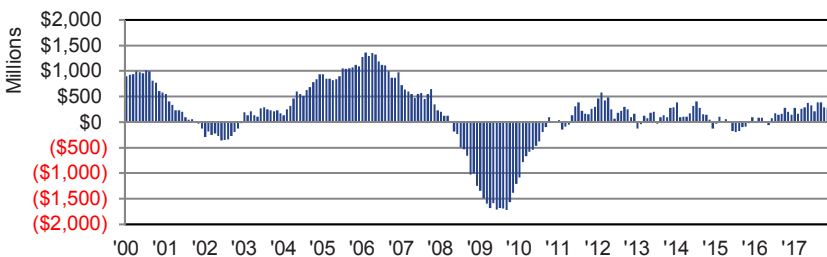
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



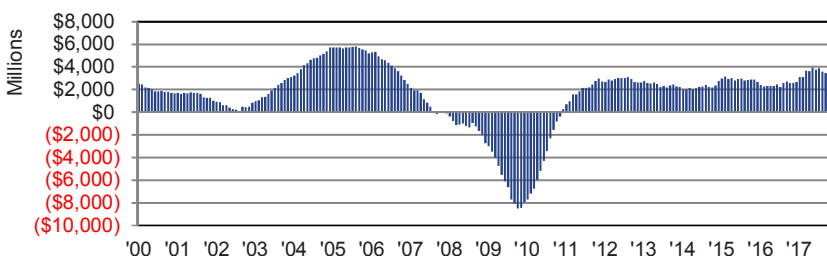
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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⁾

		Dec-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
134,011	134,066		136,797
GROWTH RATE	0.0% ◀		-2.0% ▼

Nevada Residential Housing Units Permitted ⁽²⁾

		Dec-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
18,889	19,346		17,423
GROWTH RATE	-2.4% ▼		8.4% ▲

Nevada Taxable Retail Sales ⁽²⁾

		Nov-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$57,622,550,009	\$57,361,415,618		\$54,036,819,563
GROWTH RATE	0.5% ▲		6.6% ▲

Nevada Gross Gaming Revenue ⁽²⁾

		Dec-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$11,571,113,773	\$11,566,902,592		\$11,257,125,356
GROWTH RATE	0.0% ◀		2.8% ▲

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

		Nov-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
52,360,569	52,289,727		51,032,986
GROWTH RATE	0.1% ▲		2.6% ▲

Clark/Washoe County Visitor Volume ⁽²⁾

		Dec-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
50,859,720	50,918,889		51,085,529
GROWTH RATE	-0.1% ▼		-0.4% ▼

Nevada New Business Creation ⁽²⁾

		Q2 '17	
Current Period	Prev. Period	Same Period	Prev. Yr.
-1,236	-1,579		3,385
GROWTH RATE	21.7% ▲		-136.5% ▼

Nevada Housing Price Index ⁽¹⁾

		Q3 '17	
Current Period	Prev. Period	Same Period	Prev. Yr.
220.8	216.0		203.4
GROWTH RATE	2.3% ▲		8.6% ▲

Clark County Office Market Vacancy Rate ⁽¹⁾

		Q4 '17	
<i>(Q1 1991 = 100)</i>			
Current Period	Prev. Period	Same Period	Prev. Yr.
19.2%	19.6%		20.5%
GROWTH RATE	-0.4% ▼		-1.3% ▼

Nevada Hotel/Motel Occupancy ⁽¹⁾

		Q3 '17	
Current Period	Prev. Period	Same Period	Prev. Yr.
83.2%	83.2%		82.9%
GROWTH RATE	0.1% ▲		0.3% ▲

State of Nevada Personal Income ⁽²⁾

		Q3 '17	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$133,620,088,000	\$132,500,526,000		\$130,727,796,000
GROWTH RATE	0.8% ▲		2.2% ▲

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

« Continued From Cover

In northern Nevada, the tourism industry reported overall positive trends, starting with a 5.2 percent increase in total visitation to 5.1 million. The Reno-Tahoe International Airport reported large increases in passenger volume as well, with year-to-date passenger volume through November (latest available) up 9.9 percent compared to 2016. Other positive indicators in Washoe County included a 2.2 percentage point increase in the trailing 12-month average for hotel/motel occupancy rate through October (latest available), and a 2.4 percent year-over-year increase in gross gaming revenue in 2017.

As the calendar turned to 2018, planned and ongoing developments in the state’s tourism industry pointed toward continued growth and investment. New Las Vegas Strip resort projects, such as Resorts World Las Vegas, Wynn Paradise Park and the recently announced The Drew at the site of the Fontainebleau, are on course to add nearly 9,000 new hotel rooms in 2020, the largest single-year increase since the building boom of the early 1990s. Construction of sports and entertainment facilities, including the \$1.8 billion Las Vegas Stadium and Madison Square Garden’s sphere-shaped performance venue, signal the ongoing expansion of southern Nevada’s tourism amenities. If underlying economic fundamentals in the United States and around the world remain pointed in a positive direction, Nevada’s tourism industry, and the economy as a whole, stand poised to realize the benefits.

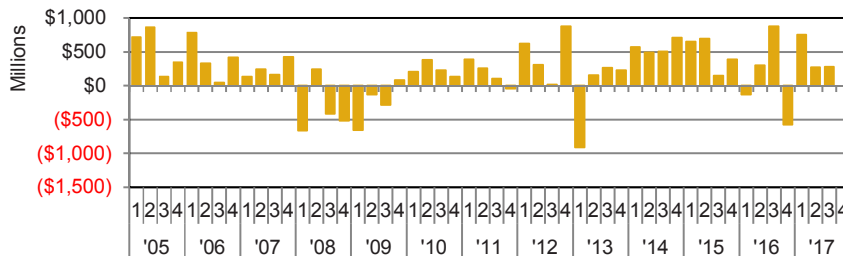
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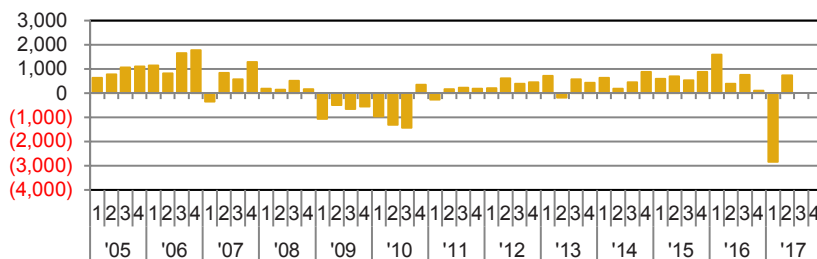
appliedanalysis.com

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.

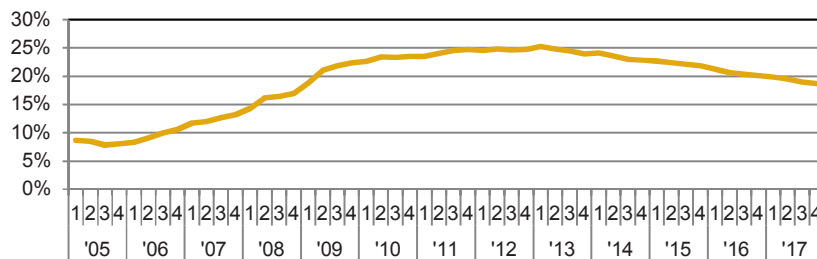
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES

