

Economic Briefing

APRIL 2018

ISSUE FOUR | VOLUME TWELVE

Nevada has returned to prominence as one of the most dynamic economies in the United States over the past few years. This prolonged period of stable growth has many planning for the future in anticipation of more to come. Throughout the state numerous private and public investments are set to usher in an era of growth that capitalizes on Nevada's existing strengths, expands the state's level of economic diversity and improves the long-term stability of the state economy.

In southern Nevada, several resort properties are planned or under construction, and upon completion will be the first major additions to the Strip since 2009. Resorts World Las Vegas, Wynn Paradise Park, and The Drew, formerly Fontainebleau, will add 9,000 hotel rooms to the region. Many other properties are planning or undergoing renovations, including the Monte Carlo (which is rebranding as Park MGM), Palms, Palace Station, Stratosphere, Cosmopolitan, SLS and the Flamingo.

Along with the new and improved hotel rooms are several major projects designed to help fill them, including: the NFL stadium project, which will host the Raiders, UNLV football and dozens of other sporting and entertainment events; the MSG Sphere from Madison Square Garden Company and Las Vegas Sands, a groundbreaking venue that will provide unique entertainment experiences; and The Edge extreme sports park, which will cater to thrill-seeking visitors. Additionally, planned and ongoing investments in convention space at locations including Aria, MGM Grand, and the Las Vegas Convention Center will add 3 million square feet of meeting and convention space, enhancing southern Nevada's competitive position as it builds upon the record convention attendance of 2017.

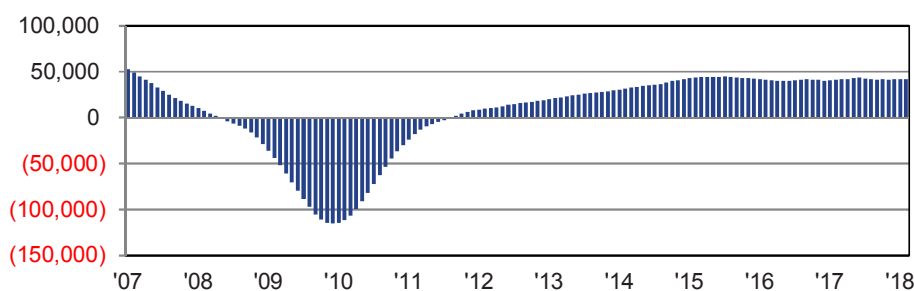
While a majority of the most visible and impactful investments are concentrated in the state's largest industry, many others are taking place outside the tourism sector, a signal of greater diversification in the state's present and future

economy. Tesla's Gigafactory in northern Nevada continues to make progress toward full buildout and operation. The facility will include the world's largest rooftop solar panel array as Tesla intends to run the factory on 100 percent renewable energy. Data center giant Switch, which is investing \$4 billion in data center facilities in Nevada, has partnered with other companies to vastly expand solar power in Nevada. In February 2018 Switch announced a partnership with Capital Dynamics to create Gigawatt 1, the largest solar project in the country, with the ability to power 1 million homes. Nevada is already the national leader in terms of solar power production per capita, and increased investments in renewable resources will help build a more sustainable future while diversifying the economy.

Throughout the state, investments in infrastructure have been ongoing to keep pace with the demands of population growth. The Nevada Department of Transportation has roughly \$1.5 billion in major roadway projects under

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NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



MONTHLY Employment Indicators

Nevada Employment		Feb-18	
Current Period	Prev. Period	Same Period	Prev.Yr.
1,356,900	1,346,200	1,314,900	
GROWTH RATE	0.8% ▲	3.2% ▲	

Nevada Private Average Weekly Hours Worked		Feb-18	
Current Period	Prev. Period	Same Period	Prev.Yr.
33.6	33.6	33.5	
GROWTH RATE	0.0% ◆	0.3% ▲	

Nevada Unemployment Rate		Feb-18	
Current Period	Prev. Period	Same Period	Prev.Yr.
4.9%	4.9%	5.2%	
GROWTH RATE	0.0% ◆	-0.3% ▼	

TRAILING 12-MONTH Employment Indicators

Nevada Employment ⁽¹⁾		Feb-18	
Current Period	Prev. Period	Same Period	Prev.Yr.
1,347,758	1,344,258	1,306,133	
GROWTH RATE	0.3% ▲	3.2% ▲	

Nevada Private Average Weekly Hours Worked ⁽¹⁾		Feb-18	
Current Period	Prev. Period	Same Period	Prev.Yr.
34.1	34.1	34.0	
GROWTH RATE	0.0% ◆	0.3% ▲	

Nevada Unemployment Rate ⁽¹⁾		Feb-18	
Current Period	Prev. Period	Same Period	Prev.Yr.
5.0%	5.0%	5.6%	
GROWTH RATE	0.0% ◆	-0.6% ▼	

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

Feb-18

Current Period	Prev. Period	Same Period Prev.Yr.
9,827	12,939	10,278
GROWTH RATE	-24.1% ▼	-4.4% ▼

Nevada Residential Housing Units Permitted

Feb-18

Current Period	Prev. Period	Same Period Prev.Yr.
1,588	1,189	1,088
GROWTH RATE	33.6% ▲	46.0% ▲

Nevada Taxable Retail Sales

Jan-18

Current Period	Prev. Period	Same Period Prev.Yr.
\$4,492,374,966	\$5,567,464,045	\$4,272,918,270
GROWTH RATE	-19.3% ▼	5.1% ▲

Nevada Gross Gaming Revenue

Feb-18

Current Period	Prev. Period	Same Period Prev.Yr.
\$1,017,913,863	\$1,015,027,320	\$945,342,577
GROWTH RATE	0.3% ▲	7.7% ▲

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Jan-18

Current Period	Prev. Period	Same Period Prev.Yr.
4,088,424	4,155,078	3,960,882
GROWTH RATE	-1.6% ▼	3.2% ▲

Clark/Washoe County Visitor Volume

Feb-18

Current Period	Prev. Period	Same Period Prev.Yr.
3,749,287	3,983,038	3,949,188
GROWTH RATE	-5.9% ▼	-5.1% ▼

Nevada New Business Creation

Q3 '17

Current Period	Prev. Period	Same Period Prev.Yr.
707	732	764
GROWTH RATE	-3.4% ▼	-7.5% ▼

Nevada Housing Price Index

(Q1 1991 = 100)

Q4 '17

Current Period	Prev. Period	Same Period Prev.Yr.
239.0	228.5	214.5
GROWTH RATE	4.6% ▲	11.5% ▲

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

Q4 '17

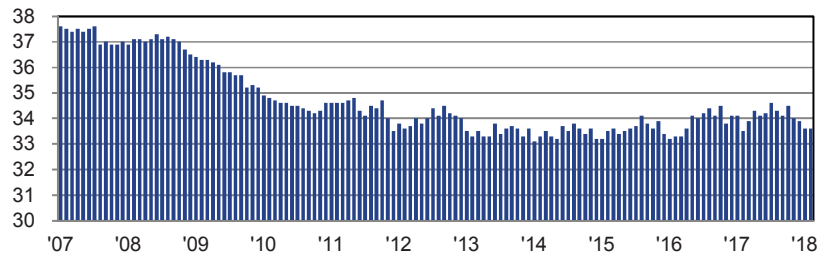
Current Period	Prev. Period	Same Period Prev.Yr.
78.8%	87.1%	79.7%
GROWTH RATE	-8.3% ▼	-0.9% ▼

State of Nevada Personal Income

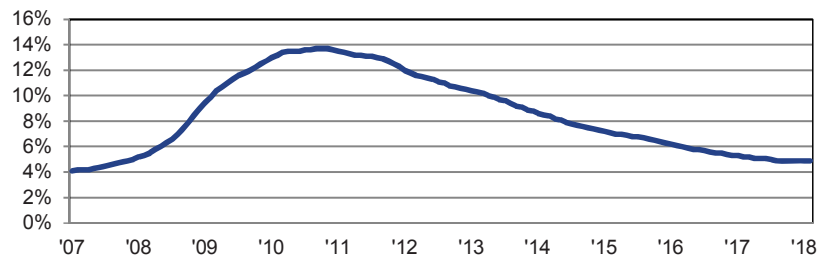
Q4 '17

Current Period	Prev. Period	Same Period Prev.Yr.
\$34,158,179,750	\$33,654,110,750	\$32,104,708,000
GROWTH RATE	1.5% ▲	6.4% ▲

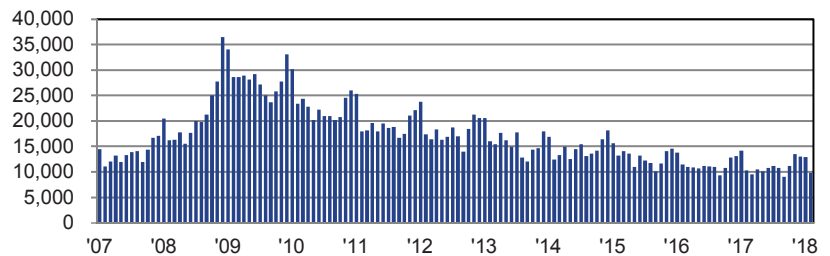
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



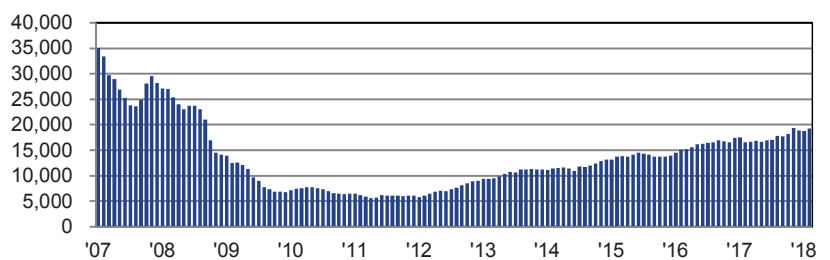
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



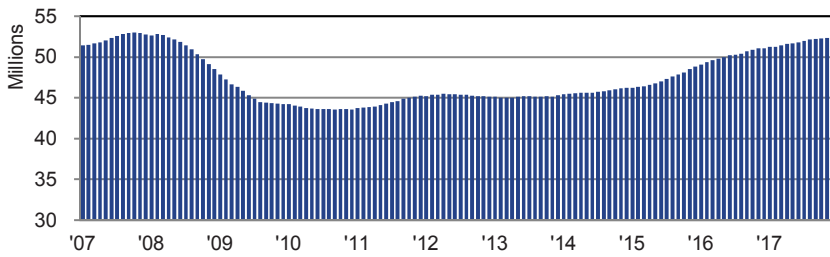
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



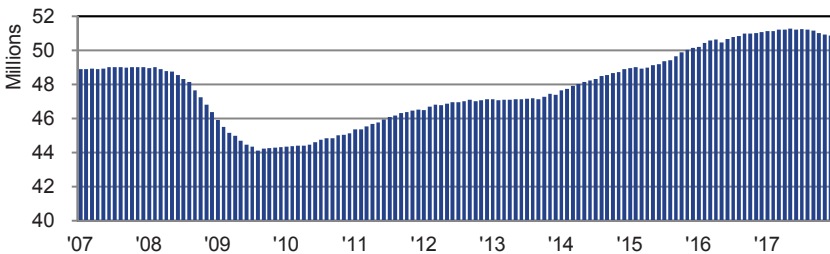
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



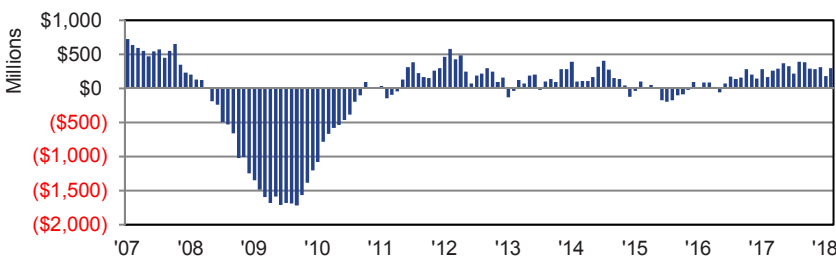
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



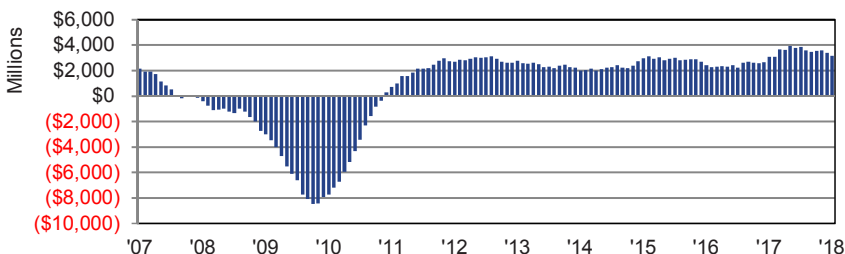
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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⁾ Feb-18

Current Period	Prev. Period	Same Period Prev.Yr.
132,332	132,783	136,071
GROWTH RATE	-0.3% ▼	-2.7% ▼

Nevada Residential Housing Units Permitted ⁽²⁾ Feb-18

Current Period	Prev. Period	Same Period Prev.Yr.
19,264	18,764	16,514
GROWTH RATE	2.7% ▲	16.7% ▲

Nevada Taxable Retail Sales ⁽²⁾ Jan-18

Current Period	Prev. Period	Same Period Prev.Yr.
\$57,966,902,290	\$57,747,445,594	\$54,806,616,418
GROWTH RATE	0.4% ▲	5.8% ▲

Nevada Gross Gaming Revenue ⁽²⁾ Feb-18

Current Period	Prev. Period	Same Period Prev.Yr.
\$11,622,345,205	\$11,549,773,919	\$11,323,708,777
GROWTH RATE	0.6% ▲	2.6% ▲

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers ⁽²⁾ Jan-18

Current Period	Prev. Period	Same Period Prev.Yr.
52,635,208	52,507,666	51,235,174
GROWTH RATE	0.2% ▲	2.7% ▲

Clark/Washoe County Visitor Volume ⁽²⁾ Feb-18

Current Period	Prev. Period	Same Period Prev.Yr.
50,554,957	50,754,858	51,133,692
GROWTH RATE	-0.4% ▼	-1.1% ▼

Nevada New Business Creation ⁽²⁾ Q3 '17

Current Period	Prev. Period	Same Period Prev.Yr.
-1,293	-1,236	3,625
GROWTH RATE	-4.6% ▼	-135.7% ▼

Nevada Housing Price Index ⁽¹⁾ Q4 '17

Current Period	Prev. Period	Same Period Prev.Yr.
226.8	220.6	207.6
GROWTH RATE	2.8% ▲	9.2% ▲

Clark County Office Market Vacancy Rate ⁽¹⁾ Q4 '17
(Q1 1991 = 100)

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⁾ Q4 '17

Current Period	Prev. Period	Same Period Prev.Yr.
83.1%	83.3%	83.1%
GROWTH RATE	-0.2% ▼	0.0% ◆

State of Nevada Personal Income ⁽²⁾ Q4 '17

Current Period	Prev. Period	Same Period Prev.Yr.
\$136,632,719,000	\$134,616,443,000	\$128,418,832,000
GROWTH RATE	1.5% ▲	6.4% ▲

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

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construction, including the \$900 million Project Neon, the Interstate 11 Boulder City bypass, numerous improvements to Interstate 15 near Las Vegas, and improvements to both U.S. Highways 95 and 93. Another \$1.8 billion in highway improvements are planned throughout the state over the next decade. These projects provide not only a short-term stimulus to the economy during the construction phases, but should also support future growth and economic activity.

Investments in education have also been on the rise. The University of Nevada, Reno and University of Nevada, Las Vegas together have over \$530 million of new facilities or renovations currently planned or under construction, and the College of Southern Nevada plans to spend \$80 million next year to build new student unions at its three campuses. The Clark County School District completed \$247 million worth of new school buildings prior to the 2017 school year and will open another four new elementary schools for the 2018 school year at a cost of \$95 million. The Washoe County School District has similar plans to expand school facilities, including the construction of 15 new schools between 2018 and 2025.

Overall, more than \$31.8 billion of investments are planned or under construction throughout the state, including \$12.8 billion in Reno and \$19.0 billion in Las Vegas. While major projects are not new to Nevada, the diversity of investments today is unprecedented. As the state's core industry, tourism remains a focal point for investment and growth; however, investments in education, infrastructure, technology, renewable energy and other industries illustrate the continuing diversification of the state economy.

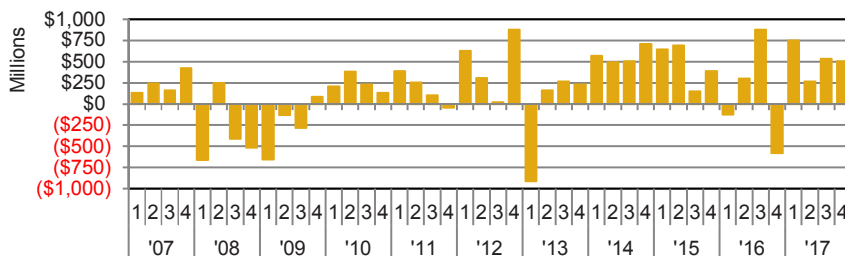
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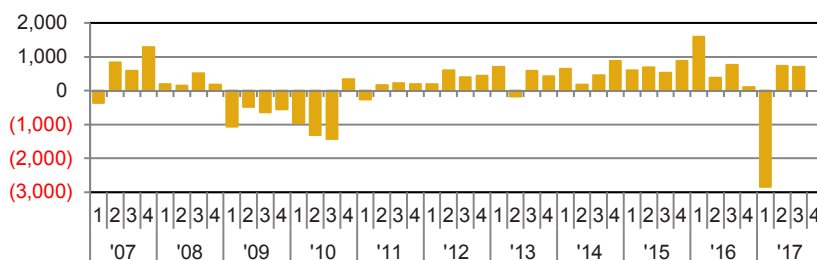
appliedanalysis.com

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.

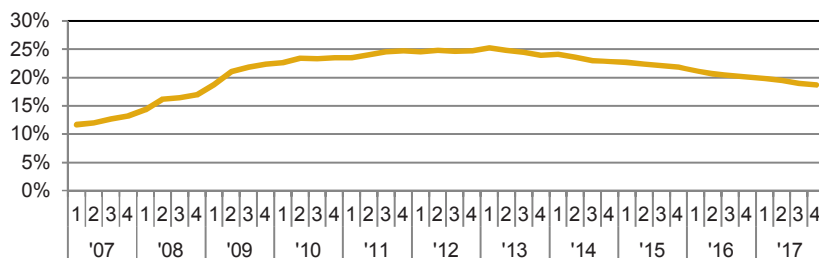
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



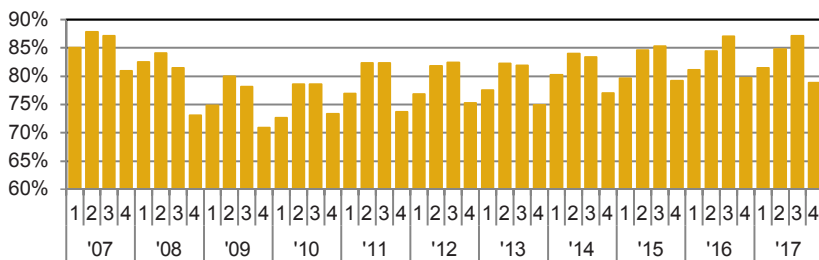
NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



NEVADA STATE BANK

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