

Economic Briefing

SEPTEMBER 2018

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Northern Nevada's economic resurgence has been a key element to the state's overall recovery and growth since the downturn. The region continues to report notable growth across a number of important economic indicators, and in many cases is outpacing the rest of the state.

Reno metropolitan area employment grew by 3.7 percent year over year in July 2018 (not seasonally adjusted), matching the statewide figure that ranked second in the nation. Reno employment gains have come while its unemployment rate has been well below state and national averages. In July, the unemployment rate for the Reno metropolitan area stood at 3.5 percent compared to 4.1 percent for the United States, 4.5 percent in Nevada, and 4.7 percent in Southern Nevada. The manufacturing sector has led the way for employment growth in Reno, adding 2,700 jobs over the past year for a 15.2 percent growth rate.

Northern Nevada's tight labor market is contributing to wage growth faster than the rest of the state. In July, the average weekly wage in Reno climbed 5.4 percent over the prior year, which outpaced the statewide rate of 3.1 percent and the 2.6 percent reported in Southern Nevada. Reno's average weekly wage of \$844 also surpassed that of Nevada (\$799) and Southern Nevada (\$814).

Taxable retail sales growth in Northern Nevada has also exceeded the state average over the past year. Through June 2018, the trailing 12-month taxable sales for Nevada grew 4.2 percent year over year. By comparison, Washoe County taxable sales grew by 6.8 percent, while 8.5 percent growth in Carson City more than doubled the statewide rate. In Storey County, which is part of the Reno metropolitan statistical area, total taxable sales declined 20.8 percent over the past year, though the drop is a result of astronomical growth in mid-2017, when total

sales rocketed from \$240.8 million to \$1.6 billion, rather than an economic slowdown.

The growth trend in Storey County is linked to the rapid expansion of the Tahoe-Reno Industrial Center, which has attracted billions of dollars of investment from major companies such as FedEx, Google, Switch, Tesla and Walmart. While total taxable sales in June 2018 declined from the prior year, the current total of \$1.3 billion in taxable sales remained more than five times higher than two years ago. As a result of this growth, Storey County's taxable sales per capita dwarf those of the state as a whole. While Nevada has recorded taxable sales of roughly \$19,700 per resident over the past 12 months, Storey County has recorded taxable sales of \$318,400 per resident – more than 16 times the statewide average.

Northern Nevada's rising economic trajectory includes the housing market. According to the Federal Housing Finance

MONTHLY

Employment Indicators

Nevada Employment		Jul-18
Current Period	Prev. Period	Same Period Prev. Yr.
1,387,700	1,382,600	1,337,900
GROWTH RATE	0.4% ▲	3.7% ▲

Nevada Private Average Weekly Hours Worked		Jul-18
Current Period	Prev. Period	Same Period Prev. Yr.
34.4	34.1	34.6
GROWTH RATE	0.9% ▲	-0.6% ▼

Nevada Unemployment Rate		Jul-18
Current Period	Prev. Period	Same Period Prev. Yr.
4.6%	4.7%	5.0%
GROWTH RATE	-0.1% ▼	-0.4% ▼

TRAILING 12-MONTH

Employment Indicators

Nevada Employment ⁽¹⁾		Jul-18
Current Period	Prev. Period	Same Period Prev. Yr.
1,364,933	1,360,783	1,324,417
GROWTH RATE	0.3% ▲	3.1% ▲

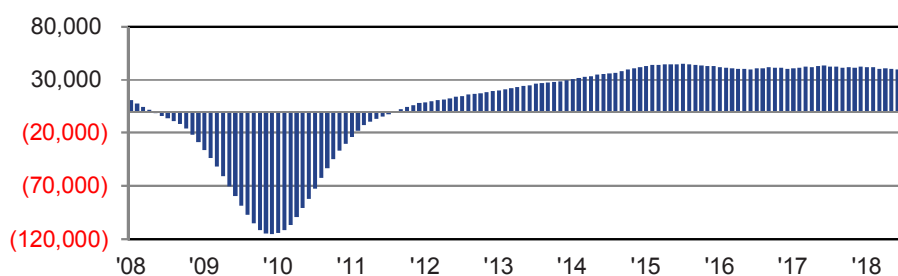
Nevada Private Average Weekly Hours Worked ⁽¹⁾		Jul-18
Current Period	Prev. Period	Same Period Prev. Yr.
34.0	34.0	34.1
GROWTH RATE	0.0% ◆	-0.3% ▼

Nevada Unemployment Rate ⁽¹⁾		Jul-18
Current Period	Prev. Period	Same Period Prev. Yr.
4.9%	4.9%	5.3%
GROWTH RATE	-0.1% ▼	-0.5% ▼

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

Jul-18

Current Period	Prev. Period	Same Period Prev. Yr.
10,554	9,999	11,131
GROWTH RATE	5.6% ▲	-5.2% ▼

Nevada Residential Housing Units Permitted

Jul-18

Current Period	Prev. Period	Same Period Prev. Yr.
1,236	1,163	1,576
GROWTH RATE	6.3% ▲	-21.6% ▼

Nevada Taxable Retail Sales

Jun-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$5,318,515,719	\$5,047,139,301	\$5,109,965,054
GROWTH RATE	5.4% ▲	4.1% ▲

Nevada Gross Gaming Revenue

Jul-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$996,439,793	\$933,060,139	\$997,994,304
GROWTH RATE	6.8% ▲	-0.2% ▼

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Jul-18

Current Period	Prev. Period	Same Period Prev. Yr.
4,840,199	4,700,395	4,726,430
GROWTH RATE	3.0% ▲	2.4% ▲

Clark/Washoe County Visitor Volume

Jul-18

Current Period	Prev. Period	Same Period Prev. Yr.
4,445,168	4,338,878	4,623,806
GROWTH RATE	2.4% ▲	-3.9% ▼

Nevada New Business Creation

Q1 '18

Current Period	Prev. Period	Same Period Prev. Yr.
1,205	-550	-2,841
GROWTH RATE	319.1% ▲	142.4% ▲

Nevada Housing Price Index

(Q1 1991 = 100)

Q2 '18

Current Period	Prev. Period	Same Period Prev. Yr.
258.9	248.2	221.2
GROWTH RATE	4.3% ▲	17.0% ▲

Clark County Office Market

Vacancy Rate

Q2 '18

Current Period	Prev. Period	Same Period Prev. Yr.
17.9%	18.0%	19.1%
GROWTH RATE	-0.1% ▼	-1.2% ▼

Nevada Hotel/Motel Occupancy

Q1 '18

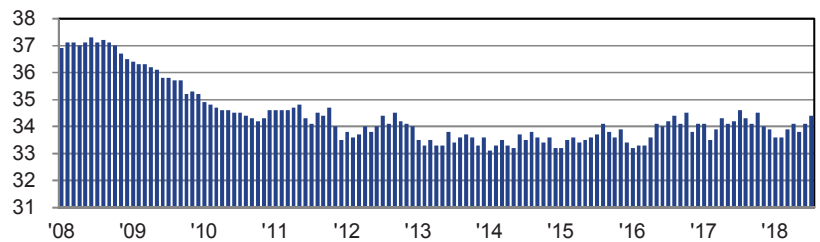
Current Period	Prev. Period	Same Period Prev. Yr.
81.7%	78.8%	82.1%
GROWTH RATE	2.9% ▲	-0.4% ▼

State of Nevada Personal Income

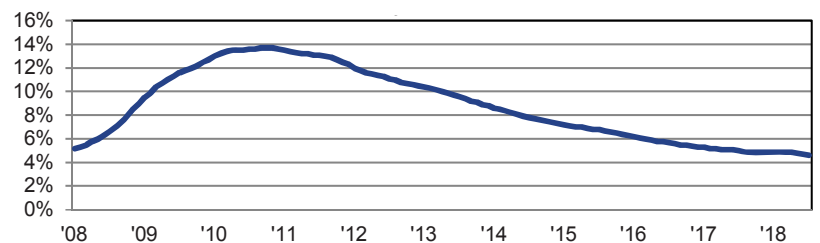
Q1 '18

Current Period	Prev. Period	Same Period Prev. Yr.
\$34,179,983,500	\$33,834,950,500	\$32,849,250,500
GROWTH RATE	1.0% ▲	4.1% ▲

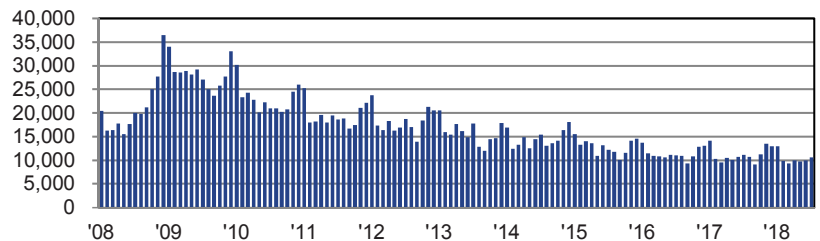
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



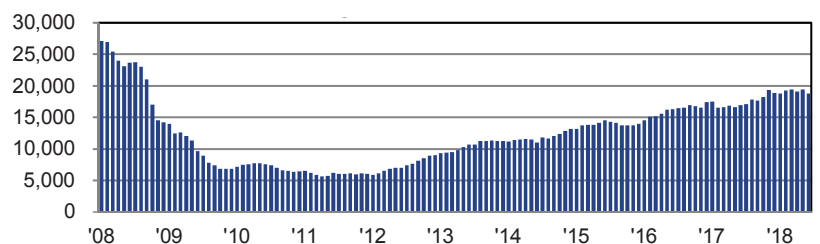
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



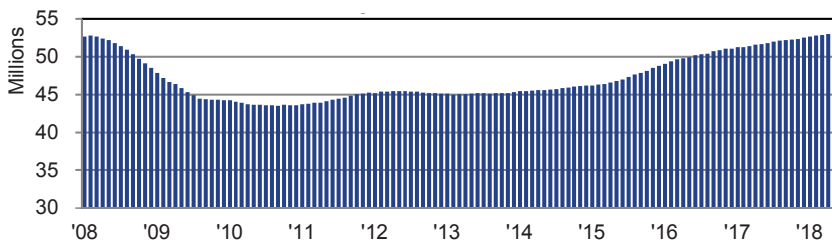
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



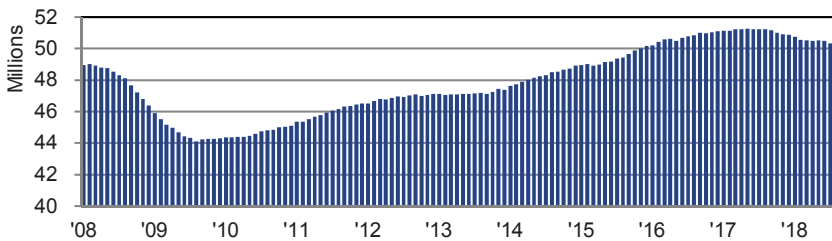
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



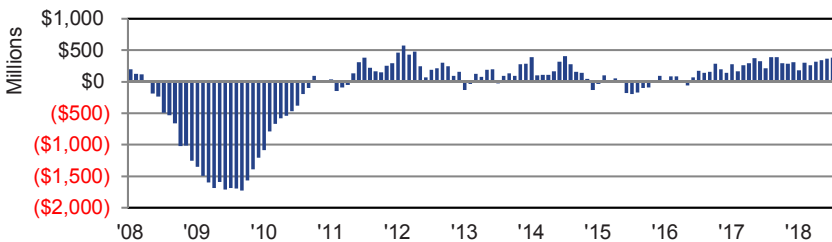
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



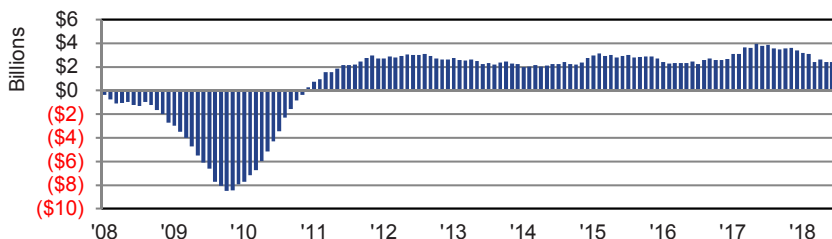
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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⁾ Jul-18

Current Period	Prev. Period	Same Period Prev. Yr.
129,942	130,519	133,525
GROWTH RATE	-0.4% ▼	-2.7% ▼

Nevada Residential Housing Units Permitted ⁽²⁾ Jul-18

Current Period	Prev. Period	Same Period Prev. Yr.
18,404	18,744	17,069
GROWTH RATE	-1.8% ▼	7.8% ▲

Nevada Taxable Retail Sales ⁽²⁾ Jun-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$58,947,823,520	\$58,739,272,855	\$56,547,741,530
GROWTH RATE	0.4% ▲	4.2% ▲

Nevada Gross Gaming Revenue ⁽²⁾ Jul-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$11,811,133,890	\$11,812,688,401	\$11,427,158,588
GROWTH RATE	0.0% ◆	3.4% ▲

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

Current Period	Prev. Period	Same Period Prev. Yr.
53,460,339	53,346,570	51,968,089
GROWTH RATE	0.2% ▲	2.9% ▲

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

Current Period	Prev. Period	Same Period Prev. Yr.
50,315,729	50,494,367	51,230,740
GROWTH RATE	-0.4% ▼	-1.8% ▼

Nevada New Business Creation ⁽²⁾ Q1 '18

Current Period	Prev. Period	Same Period Prev. Yr.
1,847	-2,199	-1,579
GROWTH RATE	184.0% ▲	217.0% ▲

Nevada Housing Price Index ⁽¹⁾ Q2 '18
(Q1 1991 = 100)

Current Period	Prev. Period	Same Period Prev. Yr.
243.8	234.4	215.1
GROWTH RATE	4.0% ▲	13.3% ▲

Clark County Office Market Vacancy Rate ⁽¹⁾ Q2 '18

Current Period	Prev. Period	Same Period Prev. Yr.
18.2%	18.4%	19.6%
GROWTH RATE	-0.2% ▼	-1.4% ▼

Nevada Hotel/Motel Occupancy ⁽¹⁾ Q1 '18

Current Period	Prev. Period	Same Period Prev. Yr.
83.1%	83.2%	83.3%
GROWTH RATE	-0.1% ▼	-0.2% ▼

State of Nevada Personal Income ⁽²⁾ Q1 '18

Current Period	Prev. Period	Same Period Prev. Yr.
\$136,719,934,000	\$135,339,802,000	\$131,397,002,000
GROWTH RATE	1.0% ▲	4.1% ▲

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

◀ Continued From Cover

Agency's All-Transactions House Price Index, the Las Vegas and Reno metropolitan areas rank in the top five markets in terms of housing price appreciation. Reno's annual growth rate of 13.8 percent ranked fifth, while the Las Vegas growth rate of 16.6 percent topped all U.S. metro areas.

The tourism industry in Northern Nevada has also reported notable gains over the past year, in contrast to recent trends in Southern Nevada. Trailing 12-month visitor volume in Washoe County rose 2.0 percent in July 2018, while the same measure declined by 2.0 percent in the Las Vegas area. Reno-Tahoe International Airport passenger volumes remained on a positive trajectory in July, topping 400,000 monthly passengers for only the second time since 2008 and growing 7.0 percent on a trailing 12-month basis. Year-over-year growth in Washoe County's trailing 12-month gross gaming revenue has also been a bright spot, topping 6.0 percent year-over-year growth for the second consecutive month. The last time the gaming revenue growth rate reached that level was in 2000.

Northern Nevada's economic growth has helped spur and support broader positive statewide trends, and ongoing and future investments suggest the region will remain a hub of economic activity and innovation that benefits not only the region, but Nevada as a whole.

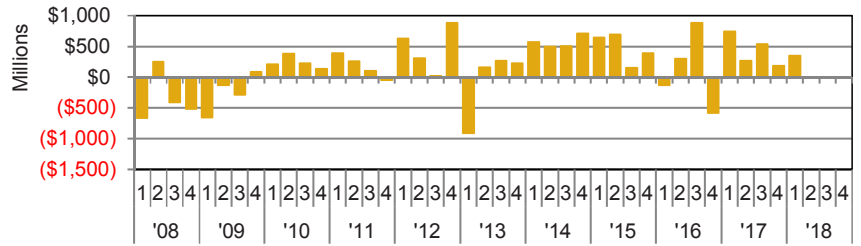
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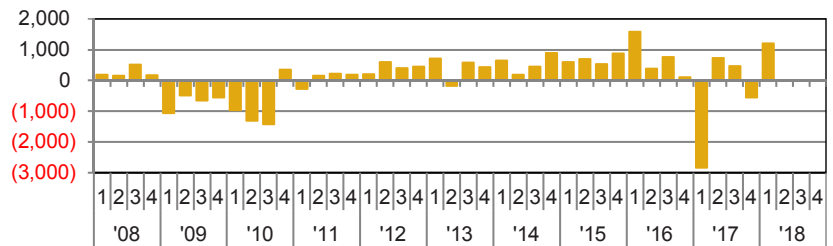
appliedanalysis.com

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.

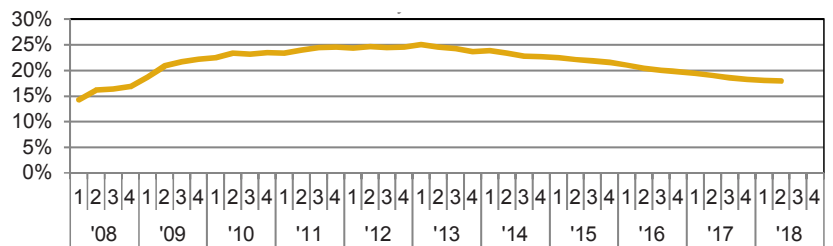
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



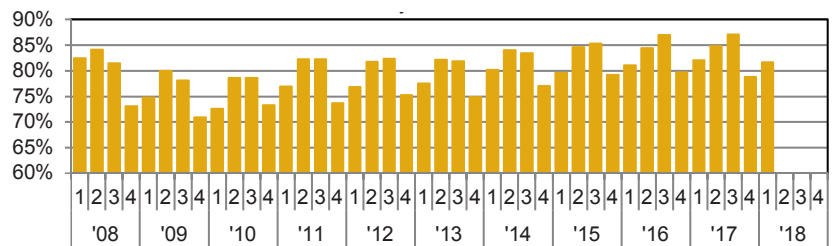
NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



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