



Economic Briefing

MARCH 2020

ISSUE THREE | VOLUME FOURTEEN

In recent years, the state's rapid population growth has led to significant housing demand, which has been reflected in the House Price Index published by the Federal Housing Finance Agency. From 2013 through 2018, annual growth rates in the Purchase-Only House Price Index in the state ranged between 9.5 percent and 22.5 percent, regularly putting Nevada at or near the top of state rankings. In 2018, the end-of-year growth rate in Nevada was 10.7 percent, the second-fastest growth rate among all states. By the end of 2019, the index's annual growth rate dropped to 3.7 percent, which was the ninth-lowest rate in the country.

In Southern Nevada, home price growth trends have also slowed compared to prior years. In December 2019, the median closing price of an existing home stood at \$280,000, up 7.7 percent from a year earlier, according to SalesTraq. That monthly year-over-year increase was the highest since February 2019 in a year that was generally marked by more modest price growth. On a trailing 12-month average basis, the median existing home price grew by 6.1 percent in 2019, the slowest year-end growth rate since 2011. Total existing home sales in 2019 dropped 4.2 percent to 45,841, continuing the sales volume decline that carried through most of the year. 2019 was the second consecutive year of declining existing home closings, suggesting that longer-term trends of rising prices and limited inventory have begun to affect sales activity.

Southern Nevada's new home market reported similar trends, with the median price in December 2019 dipping 8.6 percent over the year to \$374,944, and total new home closings decreasing by a modest 1.3 percent to 9,816. New home building showed indications of slowing, as the number of residential building permits issued in 2019 totaled 10,506, a 2.6 percent decline from the year before. As costs for land, labor and materials remain elevated, the mix and average size of new home product being sold have contributed to new home pricing trends.

In Northern Nevada, sales price and activity trends were mixed to close 2019. In the existing home market, the median closing price finished the year at \$369,500, up 11.7 percent from \$330,750 in the prior year, while existing home closings increased by 0.5 percent to a total of 7,806. The new home segment reported

MONTHLY

Employment Indicators

Nevada Employment		Dec-19
Current Period	Prev. Period	Same Period Prev. Yr.
1,446,400	1,453,600	1,419,500
GROWTH RATE	-0.5% ▼	1.9% ▲

Nevada Private Average Weekly Hours Worked		Dec-19
Current Period	Prev. Period	Same Period Prev. Yr.
34.4	34.1	34.5
GROWTH RATE	0.9% ▲	-0.3% ▼

Nevada Unemployment Rate		Dec-19
Current Period	Prev. Period	Same Period Prev. Yr.
3.7%	3.7%	4.2%
GROWTH RATE	0.0% ◆	-0.5% ▼

TRAILING 12-MONTH

Employment Indicators

Nevada Employment ⁽¹⁾		Jan-20
Current Period	Prev. Period	Same Period Prev. Yr.
1,432,727	1,430,217	1,391,192
GROWTH RATE	0.2% ▲	3.0% ▲

Nevada Private Average Weekly Hours Worked ⁽¹⁾		Dec-19
Current Period	Prev. Period	Same Period Prev. Yr.
34.6	34.6	34.1
GROWTH RATE	0.0% ◆	1.3% ▲

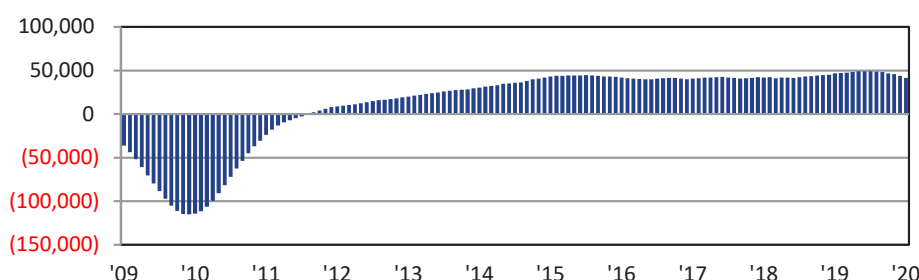
Nevada Unemployment Rate ⁽¹⁾		Dec-19
Current Period	Prev. Period	Same Period Prev. Yr.
3.9%	3.9%	4.5%
GROWTH RATE	0.0% ◆	-0.6% ▼

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

Jan-20

Current Period	Prev. Period	Same Period Prev. Yr.
10,527	12,006	11,390
GROWTH RATE	-12.3% ▼	-7.6% ▼

Nevada Residential Housing Units Permitted

Jan-20

Current Period	Prev. Period	Same Period Prev. Yr.
1,610	1,276	1,204
GROWTH RATE	26.2% ▲	33.7% ▲

Nevada Taxable Retail Sales

Dec-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$6,555,744,281	\$5,418,306,263	\$5,917,746,806
GROWTH RATE	21.0% ▲	10.8% ▲

Nevada Gross Gaming Revenue

Jan-20

Current Period	Prev. Period	Same Period Prev. Yr.
\$1,038,196,869	\$1,057,518,971	\$984,227,816
GROWTH RATE	-1.8% ▼	5.5% ▲

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Jan-20

Current Period	Prev. Period	Same Period Prev. Yr.
4,496,961	4,630,363	4,232,345
GROWTH RATE	-2.9% ▼	6.3% ▲

Clark/Washoe County Visitor Volume

Jan-20

Current Period	Prev. Period	Same Period Prev. Yr.
4,071,326	3,976,132	4,010,027
GROWTH RATE	2.4% ▲	1.5% ▲

Nevada New Business Creation

Q3 '19

Current Period	Prev. Period	Same Period Prev. Yr.
1,153	1,038	-77
GROWTH RATE	11.1% ▲	1597.4% ▲

Nevada Housing Price Index

(Q1 1991 = 100)

Q4 '19

Current Period	Prev. Period	Same Period Prev. Yr.
274.2	274.9	264.3
GROWTH RATE	-0.3% ▼	3.7% ▲

Clark County Office Market

Vacancy Rate

Q4 '19

Current Period	Prev. Period	Same Period Prev. Yr.
14.5%	15.0%	16.1%
GROWTH RATE	-0.5% ▼	-1.6% ▼

Nevada Hotel/Motel Occupancy

Q3 '19

Current Period	Prev. Period	Same Period Prev. Yr.
85.0%	85.6%	85.0%
GROWTH RATE	-0.6% ▼	0.0% ◀

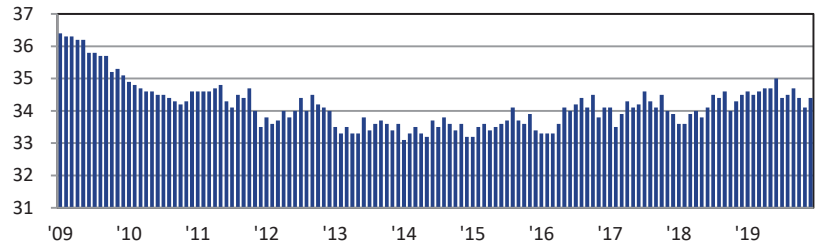
State of Nevada Personal Income

Q3 '19

Current Period	Prev. Period	Same Period Prev. Yr.
\$39,348,575,000	\$39,011,825,000	\$37,517,150,000
GROWTH RATE	0.9% ▲	4.9% ▲

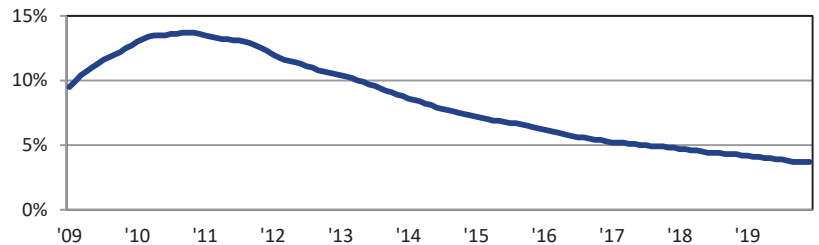
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED

MONTHLY SERIES



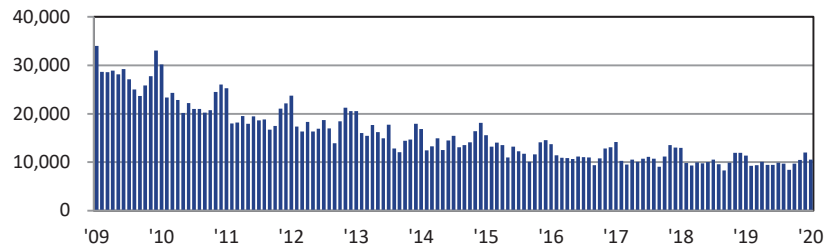
NEVADA UNEMPLOYMENT RATE

MONTHLY SERIES



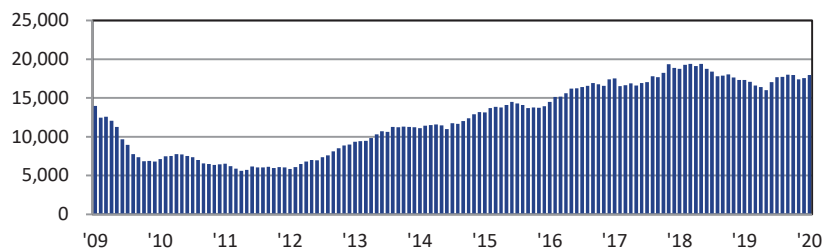
NEVADA UNEMPLOYMENT INSURANCE CLAIMS

MONTHLY SERIES

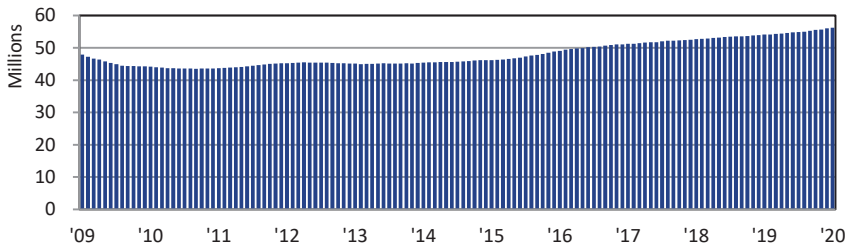


NEVADA RESIDENTIAL UNITS PERMITTED

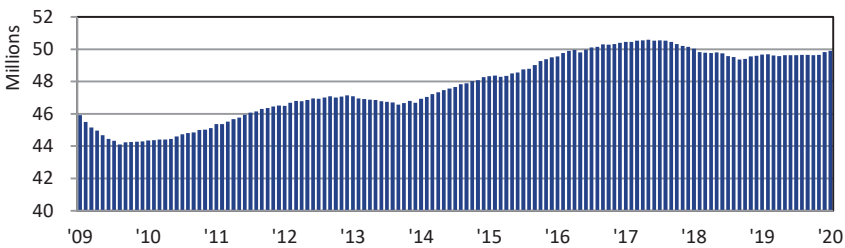
TRAILING 12-MONTH TOTALS



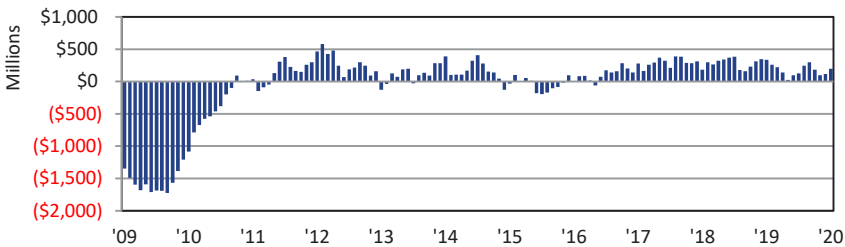
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



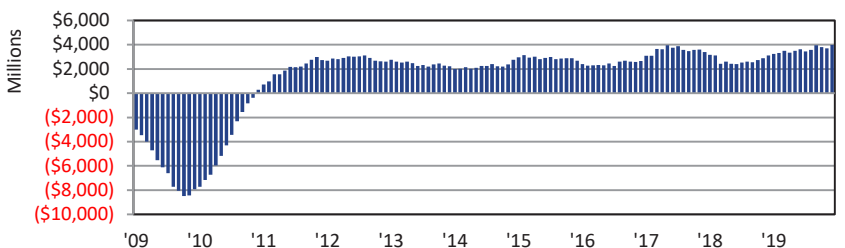
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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⁾

		Jan-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
118,388	119,251	122,542	
GROWTH RATE	-0.7% ▼	-3.4% ▼	

Nevada Residential Housing Units Permitted ⁽²⁾

		Jan-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
17,967	17,561	17,336	
GROWTH RATE	2.3% ▲	3.6% ▲	

Nevada Taxable Retail Sales ⁽²⁾

		Dec-19	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$64,842,335,291	\$64,204,337,816	\$60,855,641,642	
GROWTH RATE	1.0% ▲	6.6% ▲	

Nevada Gross Gaming Revenue ⁽²⁾

		Jan-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$12,085,422,232	\$12,031,453,180	\$11,886,445,051	
GROWTH RATE	0.4% ▲	1.7% ▲	

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

		Jan-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
56,252,927	55,988,311	54,072,542	
GROWTH RATE	0.5% ▲	4.0% ▲	

Clark/Washoe County Visitor Volume ⁽²⁾

		Jan-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
49,891,660	49,830,361	49,674,380	
GROWTH RATE	0.1% ▲	0.4% ▲	

Nevada New Business Creation ⁽²⁾

		Q3 '19	
Current Period	Prev. Period	Same Period	Prev. Yr.
2,654	1,424	621	
GROWTH RATE	86.4% ▲	327.4% ▲	

Nevada Housing Price Index ⁽¹⁾

		Q4 '19	
<i>(Q1 1991 = 100)</i>			
Current Period	Prev. Period	Same Period	Prev. Yr.
273.6	271.2	256.6	
GROWTH RATE	0.9% ▲	6.6% ▲	

Clark County Office Market Vacancy Rate ⁽¹⁾

		Q4 '19	
Current Period	Prev. Period	Same Period	Prev. Yr.
15.1%	15.5%	16.4%	
GROWTH RATE	-0.4% ▼	-1.3% ▼	

Nevada Hotel/Motel Occupancy ⁽¹⁾

		Q3 '19	
Current Period	Prev. Period	Same Period	Prev. Yr.
83.0%	83.0%	82.7%	
GROWTH RATE	0.0% ◆	0.3% ▲	

State of Nevada Personal Income ⁽²⁾

		Q3 '19	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$157,394,300,000	\$156,047,300,000	\$150,068,600,000	
GROWTH RATE	0.9% ▲	4.9% ▲	

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

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a 3.6 percent dip in median sales prices from \$453,753 to \$437,241, a price decline that likely contributed to a modest 2.6 percent rise in new home closings, which totaled 1,834 for the year.

Residential permits issued in Northern Nevada increased by 16.6 percent in 2019, growing from 4,450 permits to 5,189. Permitting growth was entirely attributable to multi-family unit permits, which increased by 41.5 percent to 3,106 in 2019. By contrast, the number of single-family units permitted in the region fell by 7.6 percent to 2,083. This trend suggests that building activity is shifting to accommodate a rapidly growing workforce and population base while balancing the need for affordability.

Nevada’s residential real estate market has experienced remarkable growth in line with population and employment growth trends. Those trends showed signs of moderating at the end of 2019 and may face additional declines pending the effects of the COVID-19 outbreak. Reduced travel across the nation and widespread cancellations of sporting events, conventions and other large public gatherings are expected to have a significant effect on Nevada’s tourism sector and the economy as a whole. While the potential and actual effects are as of yet unknown, a downturn in the local economy will most likely become evident throughout the state’s housing market.

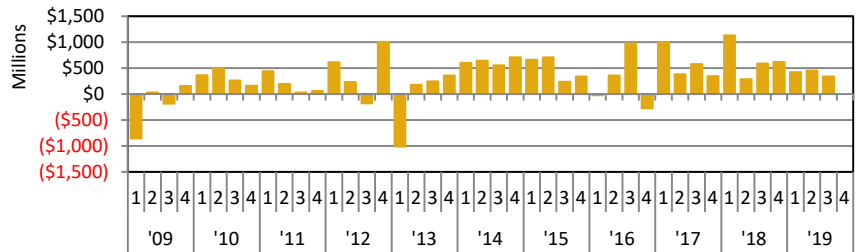
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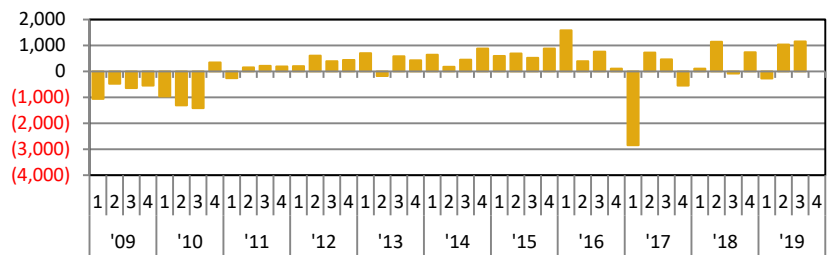
appliedanalysis.com

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.

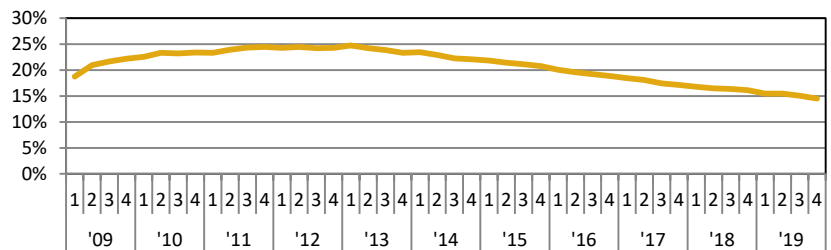
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



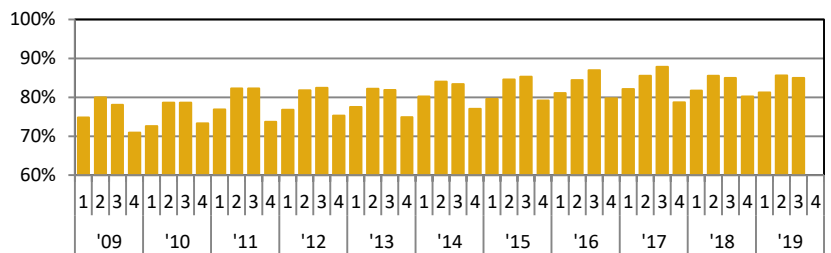
NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



NEVADA STATE BANK
THE DOOR TO YOUR FUTURE