



Nevada's residential real estate market has been booming over the past year, with new record highs being set for median home prices time and again in both Southern and Northern Nevada. The rapid rise in home prices is not unique to the Silver State. All across the country, home prices continue to rise to increasingly high levels at increasingly rapid growth rates.

# Economic Briefing

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In the first quarter of 2021, the U.S. House Price Index climbed to its highest level ever. The index value increased by 12.7 percent from the previous year, setting the record for the highest annual growth rate in the 30-year history of the measure produced by the Federal Housing Finance Agency. By comparison, the annual growth rate for the first quarter of 2020 was 6.3 percent – half of what was reported in the most recent figures and much more representative of typical growth rates for the index.

When comparing the House Price Index for all 50 states and the District of Columbia, Nevada ranked in the middle of the pack. The Silver State registered the 27th fastest annual growth rate of 12.4 percent, which was about three times the 4.6 percent growth rate reported in the prior year. For Nevada, the index growth rate for the first quarter of the year was the 22nd highest on record and the 11th highest since the Great Recession. Three of Nevada's neighboring states topped the annual House Price Index growth rate rankings. Idaho, Utah and Arizona reported year-over-year index growth rates of 23.8 percent, 19.3 percent and 17.4 percent, respectively, which

helped give the Mountain region of the nation the fastest growing home price appreciation rate of 15.7 percent.

More recent data from Nevada's submarkets shows pricing trends accelerating in the state's two major urban areas. In Southern Nevada, the median single-family house sale price reached \$385,000 in May 2021, 22.2 percent higher than the year before, according to the Las Vegas Realtors. The month was the second in a row to register a growth rate of more than 20 percent, the first time that has happened since early 2014. The median single-family home price in Northern Nevada grew even faster in May 2021, climbing 25.5 percent over the year to a record high of \$502,000, according to the Reno/Sparks Association of Realtors.

In Nevada and around the country, the rise in home prices has been fueled by a combination of tight supply of inventory for sale, record-low interest rates and rising costs for labor and supplies for new home construction. Nationally, the supply of homes for sale in April 2021 was down by a third from the prior year and at levels last reported in the early 2000s. This trend was more pronounced

## MONTHLY

### Employment Indicators

Nevada Employment		May-21
Current Period	Prev. Period	Same Period Prev. Yr.
1,324,900	1,309,800	1,109,800
GROWTH RATE	1.2% ▲	19.4% ▲

Nevada Private Average Weekly Hours Worked		May-21
Current Period	Prev. Period	Same Period Prev. Yr.
35.8	35.5	34.3
GROWTH RATE	0.8% ▲	4.4% ▲

Nevada Unemployment Rate		May-21
Current Period	Prev. Period	Same Period Prev. Yr.
7.8%	8.0%	24.5%
GROWTH RATE	-0.2% ▼	-16.7% ▼

## TRAILING 12-MONTH

### Employment Indicators

Nevada Employment <sup>(1)</sup>		May-21
Current Period	Prev. Period	Same Period Prev. Yr.
1,272,042	1,254,117	1,378,125
GROWTH RATE	1.4% ▲	-7.7% ▼

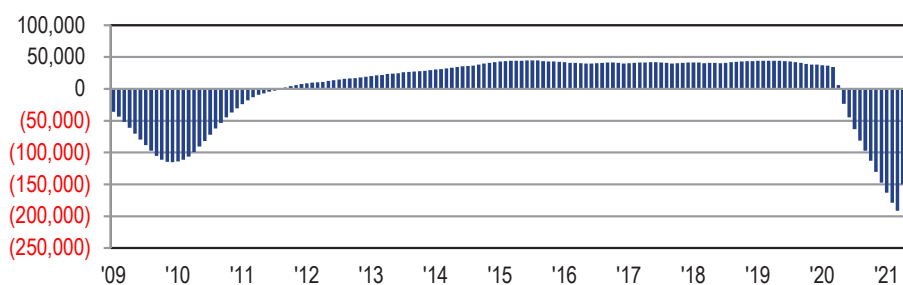
Nevada Private Average Weekly Hours Worked <sup>(1)</sup>		May-21
Current Period	Prev. Period	Same Period Prev. Yr.
35.0	34.8	34.3
GROWTH RATE	0.4% ▲	1.8% ▲

Nevada Unemployment Rate <sup>(1)</sup>		May-21
Current Period	Prev. Period	Same Period Prev. Yr.
10.8%	12.2%	7.9%
GROWTH RATE	-1.4% ▼	2.9% ▲

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**

May-21

Current Period	Prev. Period	Same Period Prev. Yr.
15,401	40,858	74,469
GROWTH RATE	-62.3% ▼	-79.3% ▼

**Nevada Residential Housing Units Permitted**

Apr-21

Current Period	Prev. Period	Same Period Prev. Yr.
2,156	2,184	1,032
GROWTH RATE	-1.3% ▼	108.9% ▲

**Nevada Taxable Retail Sales**

Mar-21

Current Period	Prev. Period	Same Period Prev. Yr.
\$6,591,071,112	\$4,921,529,502	\$4,531,155,838
GROWTH RATE	33.9% ▲	45.5% ▲

**Nevada Gross Gaming Revenue**

Apr-21

Current Period	Prev. Period	Same Period Prev. Yr.
\$1,039,444,911	\$1,068,937,095	\$3,665,706
GROWTH RATE	-2.8% ▼	28255.9% ▲

**Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers**

Apr-21

Current Period	Prev. Period	Same Period Prev. Yr.
3,154,086	2,828,410	169,735
GROWTH RATE	11.5% ▲	1758.2% ▲

**Clark/Washoe County Visitor Volume**

Apr-21

Current Period	Prev. Period	Same Period Prev. Yr.
2,991,222	2,633,228	169,750
GROWTH RATE	13.6% ▲	1662.1% ▲

**Nevada New Business Creation**

Q4 '20

Current Period	Prev. Period	Same Period Prev. Yr.
1,646	2,000	970
GROWTH RATE	-17.7% ▼	69.7% ▲

**Nevada Housing Price Index**

(Q1 1991 = 100)

Q1 '21

Current Period	Prev. Period	Same Period Prev. Yr.
316.1	303.0	281.3
GROWTH RATE	4.3% ▲	12.4% ▲

**Clark County Office Market Vacancy Rate**

Q1 '21

Current Period	Prev. Period	Same Period Prev. Yr.
16.5%	16.3%	14.5%
GROWTH RATE	0.2% ▲	2.1% ▲

**Nevada Hotel/Motel Occupancy**

Q4 '20

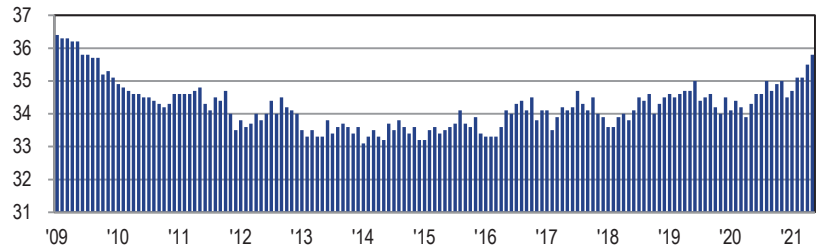
Current Period	Prev. Period	Same Period Prev. Yr.
40.1%	46.4%	81.3%
GROWTH RATE	-6.3% ▼	-41.2% ▼

**State of Nevada Personal Income**

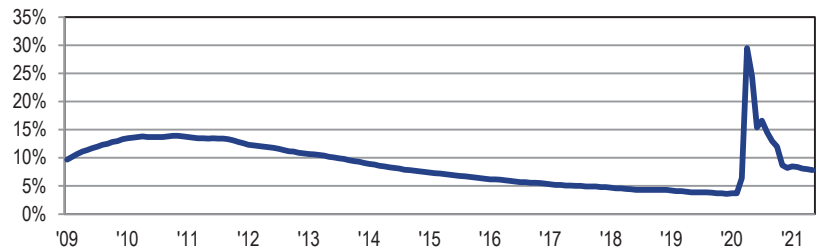
Q4 '20

Current Period	Prev. Period	Same Period Prev. Yr.
\$40,976,750,000	\$42,733,350,000	\$39,951,700,000
GROWTH RATE	-4.1% ▼	2.6% ▲

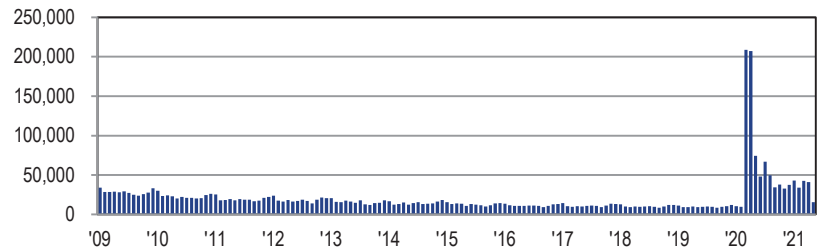
**NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED**  
MONTHLY SERIES



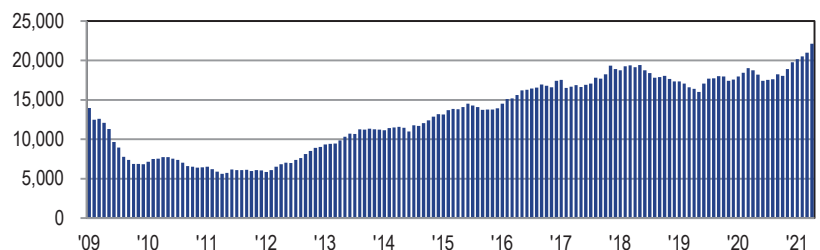
**NEVADA UNEMPLOYMENT RATE**  
MONTHLY SERIES



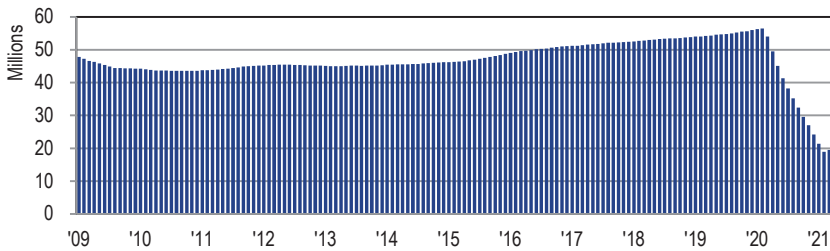
**NEVADA UNEMPLOYMENT INSURANCE CLAIMS**  
MONTHLY SERIES



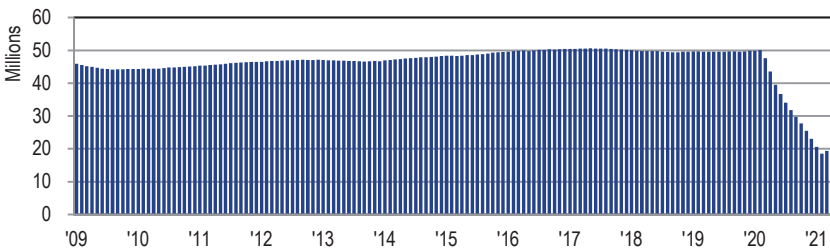
**NEVADA RESIDENTIAL UNITS PERMITTED**  
TRAILING 12-MONTH TOTALS



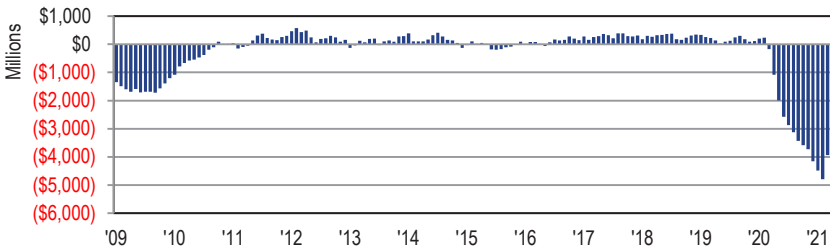
**LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS**  
TRAILING 12-MONTH TOTALS



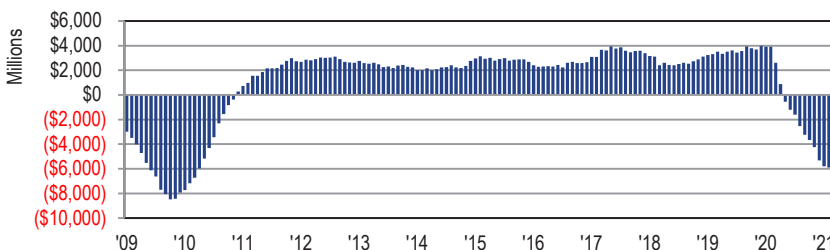
**CLARK/WASHOE COUNTY VISITOR VOLUME**  
TRAILING 12-MONTH TOTALS



**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 <sup>(2)</sup>**

		May-21	
Current Period	Prev. Period	Same Period	Prev. Yr.
482,041	541,109	580,499	
GROWTH RATE	-10.9% ▼	-17.0% ▼	

**Nevada Residential Housing Units Permitted <sup>(2)</sup>**

		Apr-21	
Current Period	Prev. Period	Same Period	Prev. Yr.
22,106	20,982	18,766	
GROWTH RATE	5.4% ▲	17.8% ▲	

**Nevada Taxable Retail Sales <sup>(2)</sup>**

		Mar-21	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$61,509,380,667	\$59,449,465,393	\$64,239,490,104	
GROWTH RATE	3.5% ▲	-4.2% ▼	

**Nevada Gross Gaming Revenue <sup>(2)</sup>**

		Apr-21	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$8,813,291,032	\$7,777,511,826	\$10,778,318,602	
GROWTH RATE	13.3% ▲	-18.2% ▼	

**Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers <sup>(2)</sup>**

		Apr-21	
Current Period	Prev. Period	Same Period	Prev. Yr.
22,482,358	19,498,007	49,552,106	
GROWTH RATE	15.3% ▲	-54.6% ▼	

**Clark/Washoe County Visitor Volume <sup>(2)</sup>**

		Apr-21	
Current Period	Prev. Period	Same Period	Prev. Yr.
22,157,424	19,335,952	43,584,249	
GROWTH RATE	14.6% ▲	-49.2% ▼	

**Nevada New Business Creation <sup>(2)</sup>**

		Q2 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
5,496	4,820	1,999	
GROWTH RATE	14.0% ▲	174.9% ▲	

**Nevada Housing Price Index <sup>(1)</sup>**

		Q1 '21	
<i>(Q1 1991 = 100)</i>			
Current Period	Prev. Period	Same Period	Prev. Yr.
299.6	291.0	276.3	
GROWTH RATE	3.0% ▲	8.5% ▲	

**Clark County Office Market Vacancy Rate <sup>(1)</sup>**

		Q1 '21	
Current Period	Prev. Period	Same Period	Prev. Yr.
15.9%	15.3%	14.8%	
GROWTH RATE	0.5% ▲	1.0% ▲	

**Nevada Hotel/Motel Occupancy <sup>(1)</sup>**

		Q4 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
42.2%	52.4%	83.3%	
GROWTH RATE	-10.3% ▼	-41.1% ▼	

**State of Nevada Personal Income <sup>(2)</sup>**

		Q4 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$163,907,000,000	\$170,933,400,000	\$159,806,800,000	
GROWTH RATE	-4.1% ▼	2.6% ▲	

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

Continued From Cover

in Nevada. In the Las Vegas area, for-sale inventory of single-family homes has fallen from 3.4 months of supply in May 2020 to 0.6 months in May 2021, and inventory levels have remained below one month since December 2020. In the Reno-Sparks area, effective inventory levels have remained at or below one month since July 2020, and the 0.6 months of inventory in May 2021 was a fraction of the 2.3 months of inventory reported a year before.

Homebuilders in Nevada are looking to capitalize on the demand for more homes and have been ramping up activity over the past year. In the 12 months through April 2021, Nevada homebuilders pulled 14,777 single-family home permits, a 19.1 percent increase from a year earlier. Notably, that 12-month total was the highest level in the state since 2008. As the national economy has emerged from the pandemic, homebuilders have grappled with increased costs for labor and materials. The cost of lumber in particular skyrocketed earlier this year as demand outpaced suppliers who were slow to restart production lines. Lumber costs have since dropped from those recent peaks as sawmills came online and increased production, though lumber costs remain elevated and will continue to put upward pressure on new home prices.

These factors, as well as continued in-migration from higher-priced home markets in California, show little sign of slowing down in the near future, and as a result home prices in Nevada will likely continue to reach new highs while demand remains strong.

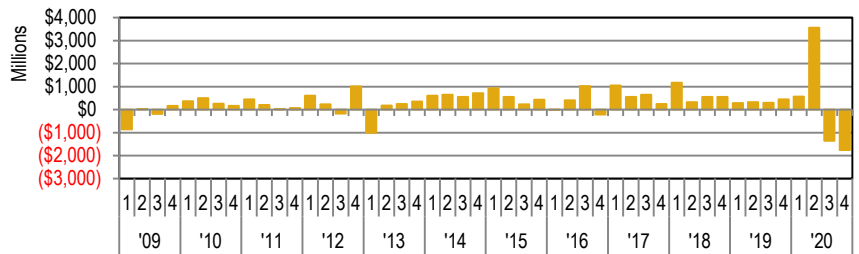
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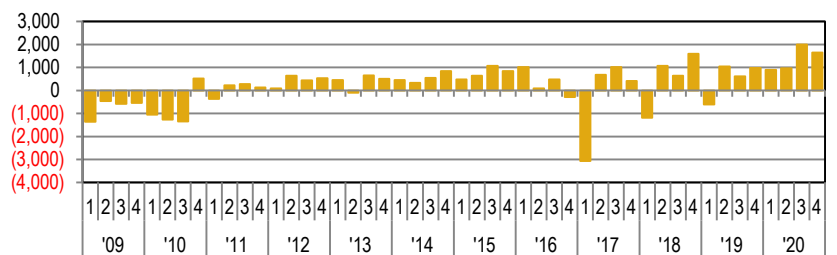
appliedanalysis.com

**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.

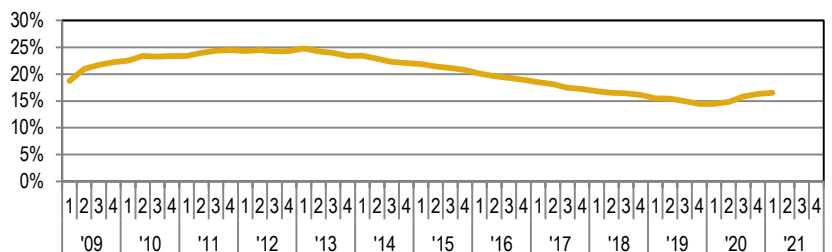
**NEVADA PERSONAL INCOME GROWTH**  
QUARTER-OVER-QUARTER



**NEVADA NEW BUSINESS CREATION**  
QUARTER-OVER-QUARTER



**LAS VEGAS OFFICE MARKET VACANCY RATE**  
QUARTERLY SERIES



**NEVADA HOTEL/MOTEL OCCUPANCY**  
QUARTERLY SERIES

