

December 15, 2015

CBER's Construction Index Continued 10th Straight Double-Digit Yearly Rise

CBER's Clark County Construction Index experienced both month-over-month and year-over-year growth in September 2015. Despite significant losses in residential housing permits, the construction index rose by 1.9 percent for the month, led by gains in Las Vegas construction employment and commercial building permits. The construction index also showed strong yearly growth even though the residential permits dropped by 30.7 percent year-over-year as the commercial permit and construction employment rose 20.1 percent and 22.2 percent, respectively, compared to September 2014. The Clark County Construction Index has posted double-digit percentage yearly growth for 10 consecutive months, showing a strong pick-up in construction activity in Southern Nevada.

Changes in the other CBER's Southern Nevada indexes were as follows:

- CBER's Southern Nevada Coincident Index increased for the month and is up compared to a year earlier.
- CBER's Southern Nevada Leading Index climbed in September 2015 relative to last month and last year.
- CBER's Clark County Business Index experienced gains in September 2015 relative to last month and last year.
- CBER's Clark County Tourism Index rose for the month and is faring better than its level from last year.

Please find more detailed information on the pages that follow.

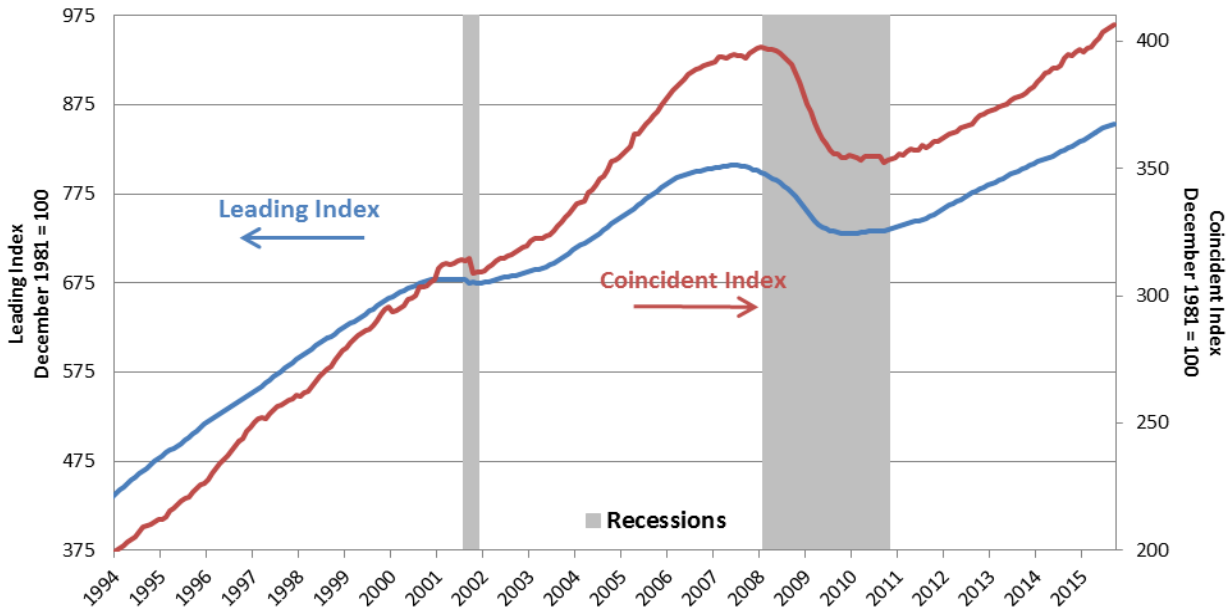
CBER's Coincident and Leading Indexes of Southern Nevada Economic Activity

CBER's Southern Nevada Coincident Index represents the current state of the Southern Nevada economy using two series that measure Las Vegas Metropolitan Statistical Area (MSA) employment. CBER's Southern Nevada Leading Index uses local, regional, and national variables to predict movement in the coincident index four to six months in advance.

For the Great Recession, the coincident index peaked in January 2008 and reached its lowest point in September 2010. The leading index peaked in July 2007—six months before the coincident index and reached its lowest point in February 2010—seven months before the coincident index started recovery. A full description of the methodology used to construct the indexes can be found at:

<http://cber.unlv.edu/reports/SoNVEconomicIndexes.pdf>

CBER Southern Nevada Economic Indicators



Leading Index

| Series | Date | Latest Period | Change Previous Period | Change Year Ago |
|---------------------------|--------|---------------|------------------------|-----------------|
| Arizona Index | Sep-15 | 916.7 | 0.1% | 2.8% |
| California Index | Sep-15 | 721.2 | 0.3% | 4.2% |
| S&P 500 Index | Sep-15 | 1959.6 | -4.3% | -2.4% |
| McCarran Total Passengers | Sep-15 | 3,813,233 | -0.6% | 6.0% |
| Overall Index Change | | 852.8 | 0.1% | 3.1% |

Sources: Philadelphia Federal Reserve, McCarran International Airport, St. Louis Federal Reserve (FRED)

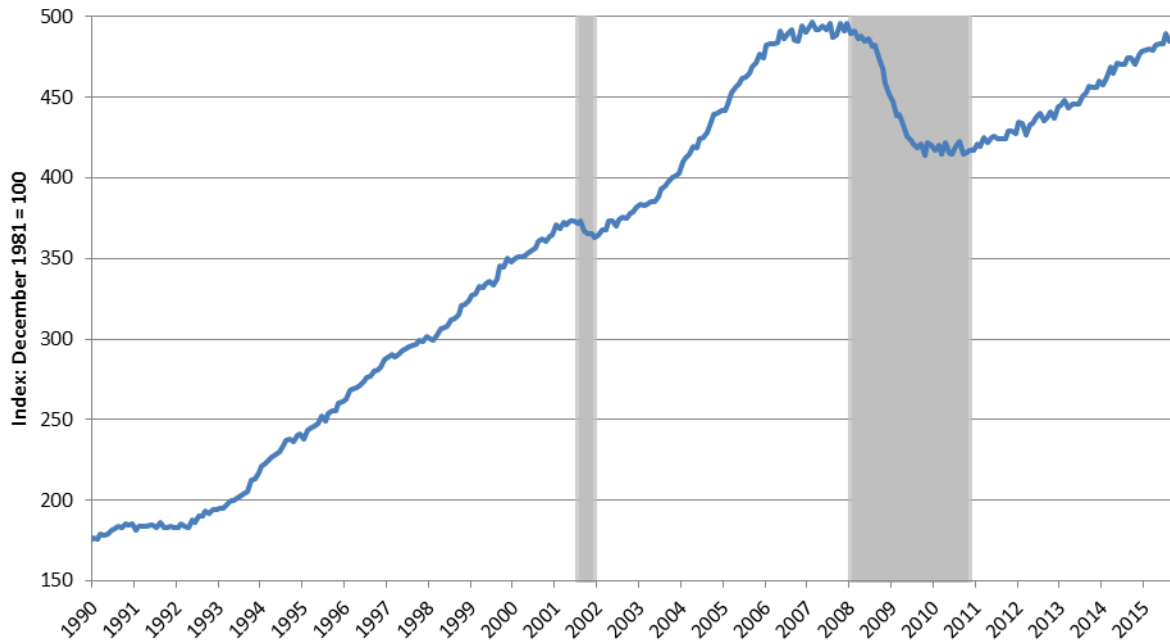
Coincident Index

| Series | Date | Latest Period | Change Previous Period | Change Year Ago |
|------------------------------------|--------|---------------|------------------------|-----------------|
| Las Vegas MSA Nonfarm Employment | Sep-15 | 915,583 | 0.3% | 2.4% |
| Las Vegas MSA Household Employment | Sep-15 | 981,580 | 0.2% | 3.5% |
| Overall Index Change | | 406.5 | 0.2% | 2.9% |

Sources: Current Employment Statistics, Local Area Unemployment Statistics

For CBER's Southern Nevada Coincident Index, both Las Vegas MSA nonfarm employment and Las Vegas MSA household employment rose in September 2015 relative to last month and last year. Two components of CBER's Southern Nevada Leading Index—the Arizona and California Indexes—increased in September 2015 relative to last month and last year. The other two components—the S&P 500 Index and the number of total passengers going through McCarran Airport—fell by 4.3 percent and 0.6 percent, respectively, for the month. While McCarran total passengers experienced the largest yearly gain among the components, the S&P 500 Index declined by 2.4 percent compared to a year earlier due to turbulent global economies.

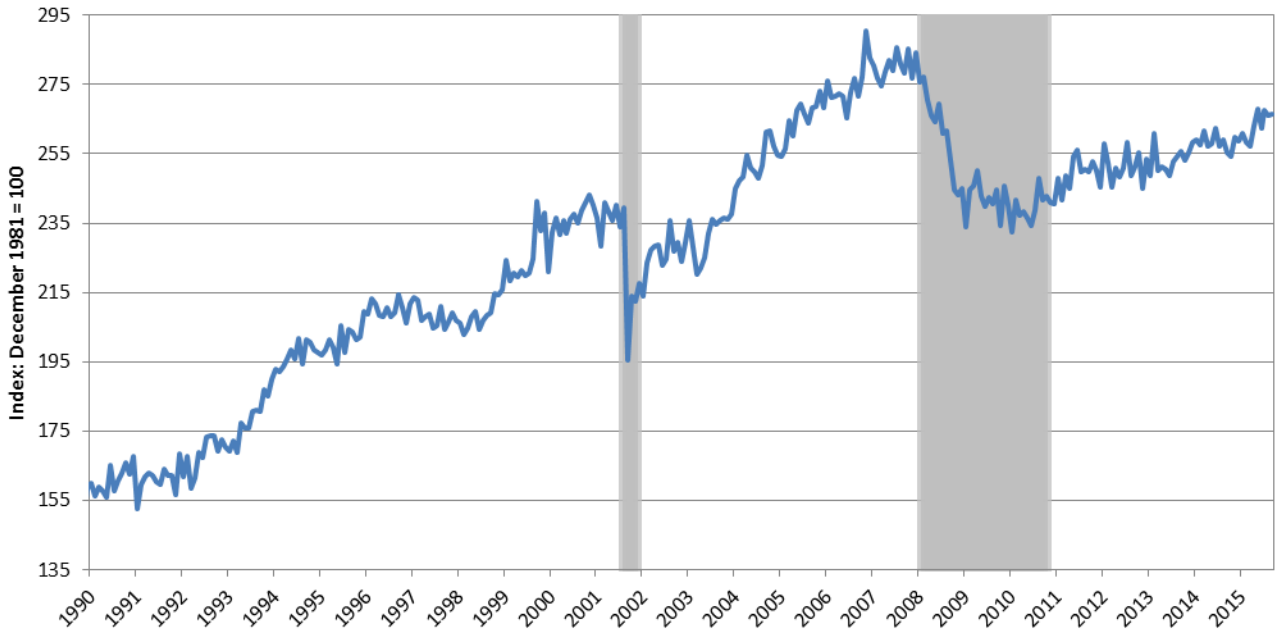
CBER Clark County Business Activity Index



| Date | Index | Change Previous Period | Change Year Ago |
|--------|-------|------------------------|-----------------|
| Sep-14 | 474.5 | 0.04% | 3.9% |
| Oct-14 | 470.4 | -0.9% | 3.2% |
| Nov-14 | 475.7 | 1.1% | 4.3% |
| Dec-14 | 478.4 | 0.6% | 3.9% |
| Jan-15 | 478.8 | 0.1% | 4.6% |
| Feb-15 | 480.0 | 0.3% | 3.8% |
| Mar-15 | 478.9 | -0.2% | 2.2% |
| Apr-15 | 482.6 | 0.8% | 3.8% |
| May-15 | 482.9 | 0.1% | 2.5% |
| Jun-15 | 483.0 | 0.01% | 2.7% |
| Jul-15 | 489.1 | 1.3% | 4.0% |
| Aug-15 | 485.1 | -0.8% | 2.3% |
| Sep-15 | 486.9 | 0.4% | 2.6% |

CBER's Clark County Business Activity Index increased by 0.4 percent in September 2015 on a month-over-month basis and by 2.6 percent on a year-over-year basis. Among the three components of the business index, only seasonally adjusted Clark County gaming revenue experienced a loss. As seen in the coincident index, Las Vegas nonfarm employment rose by 0.3 percent from the previous month, and seasonally adjusted Clark County taxable sales climbed by 1.5 percent during the same period. Seasonally adjusted gaming revenues fell by 0.8 percent from August to September.

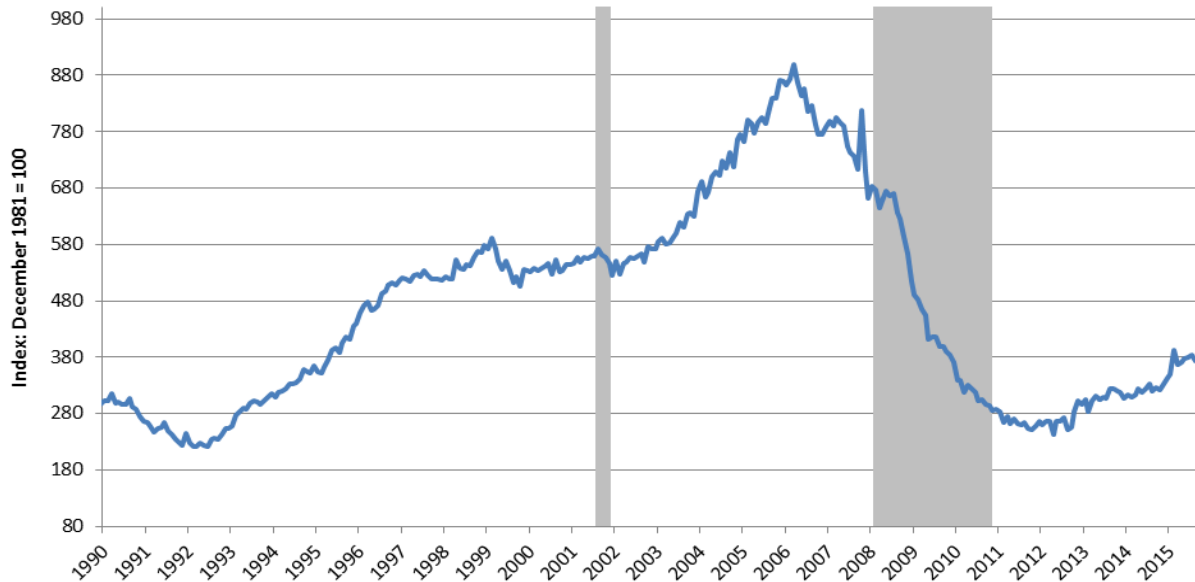
CBER Clark County Tourism Index



| Date | Index | Change Previous Period | Change Year Ago |
|--------|-------|------------------------|-----------------|
| Sep-14 | 255.2 | -1.4% | -0.2% |
| Oct-14 | 254.3 | -0.4% | 0.5% |
| Nov-14 | 259.8 | 2.2% | 1.7% |
| Dec-14 | 258.7 | -0.4% | 0.1% |
| Jan-15 | 261.1 | 0.9% | 0.8% |
| Feb-15 | 258.3 | -1.1% | 0.4% |
| Mar-15 | 257.3 | -0.4% | -1.6% |
| Apr-15 | 262.9 | 2.2% | 2.3% |
| May-15 | 267.8 | 1.9% | 3.9% |
| Jun-15 | 262.4 | -2.0% | 0.1% |
| Jul-15 | 267.4 | 1.9% | 4.0% |
| Aug-15 | 266.2 | -0.4% | 2.8% |
| Sep-15 | 266.4 | 0.1% | 4.4% |

The activity in the tourism sector, as measured by CBER's Clark County Tourism Index, increased by 0.1 percent in September 2015 on a month-over-month basis and rose by 4.4 percent on a year-over-year basis. Two components of the tourism index experienced losses from last month. Seasonally adjusted gaming revenue and the number of total passengers enplaned/deplaned at McCarran Airport fell by 0.8 and 0.6 percent, respectively, from the previous month. A gain in the Las Vegas hotel/motel occupancy rates offset losses from the other components and contributed to a monthly increase in the tourism index, up by 1.0 percent.

CBER Clark County Construction Index



| Date | Index | Change Previous Period | Change Year Ago |
|--------|-------|------------------------|-----------------|
| Sep-14 | 325.3 | 1.9% | 0.5% |
| Oct-14 | 320.9 | -1.4% | 0.07% |
| Nov-14 | 333.5 | 3.9% | 5.1% |
| Dec-14 | 343.2 | 2.9% | 11.9% |
| Jan-15 | 349.9 | 2.0% | 11.7% |
| Feb-15 | 391.5 | 11.9% | 27.0% |
| Mar-15 | 367.3 | -6.2% | 17.0% |
| Apr-15 | 371.6 | 1.2% | 14.5% |
| May-15 | 377.7 | 1.6% | 18.6% |
| Jun-15 | 378.6 | 0.2% | 16.8% |
| Jul-15 | 383.0 | 1.2% | 15.2% |
| Aug-15 | 372.4 | -2.8% | 16.7% |
| Sep-15 | 379.3 | 1.9% | 16.6% |

CBER's Clark County Construction Index rose by 1.9 percent in September 2015 on a month-over-month basis and gained 16.6 percent on a year-over-year basis. Residential building permits decreased by 12.2 percent in September 2015. Commercial permits increased by 2.1 percent for the month, however, commercial permits still remain low and continue to experience significant volatility. Las Vegas construction employment increased by 3.1 percent from last month.

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The views expressed are those of the author and do not necessarily represent those of the University of Nevada, Las Vegas or the Nevada System of Higher Education.