

# The Numbers Tell the Story

Jeremy Aguero | Directions 2015



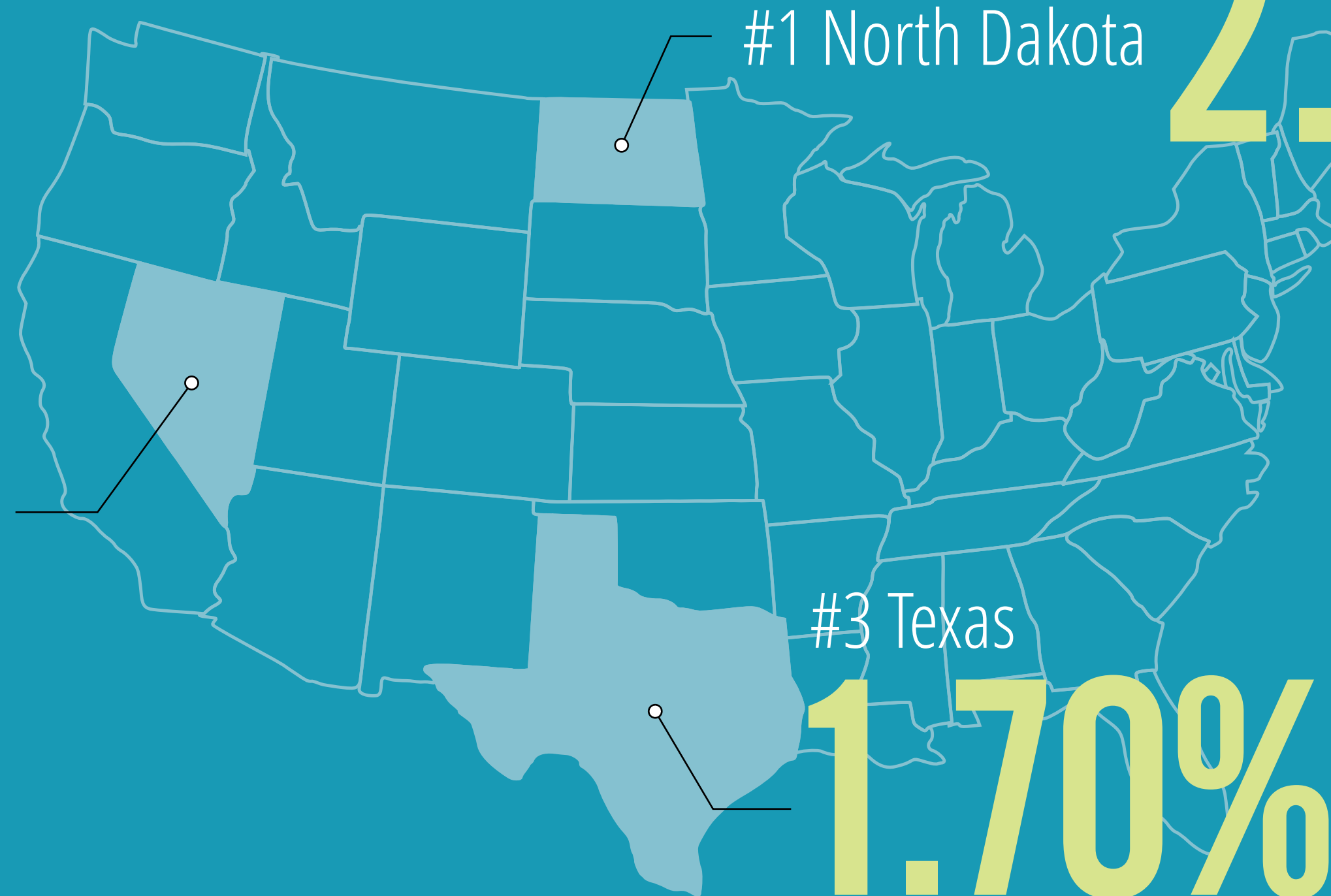
Nevada population **2,843,301**

Population growth

**#2**

in the nation

#2 Nevada  
**1.71%**



#1 North Dakota

**2.16%**

#2 Nevada

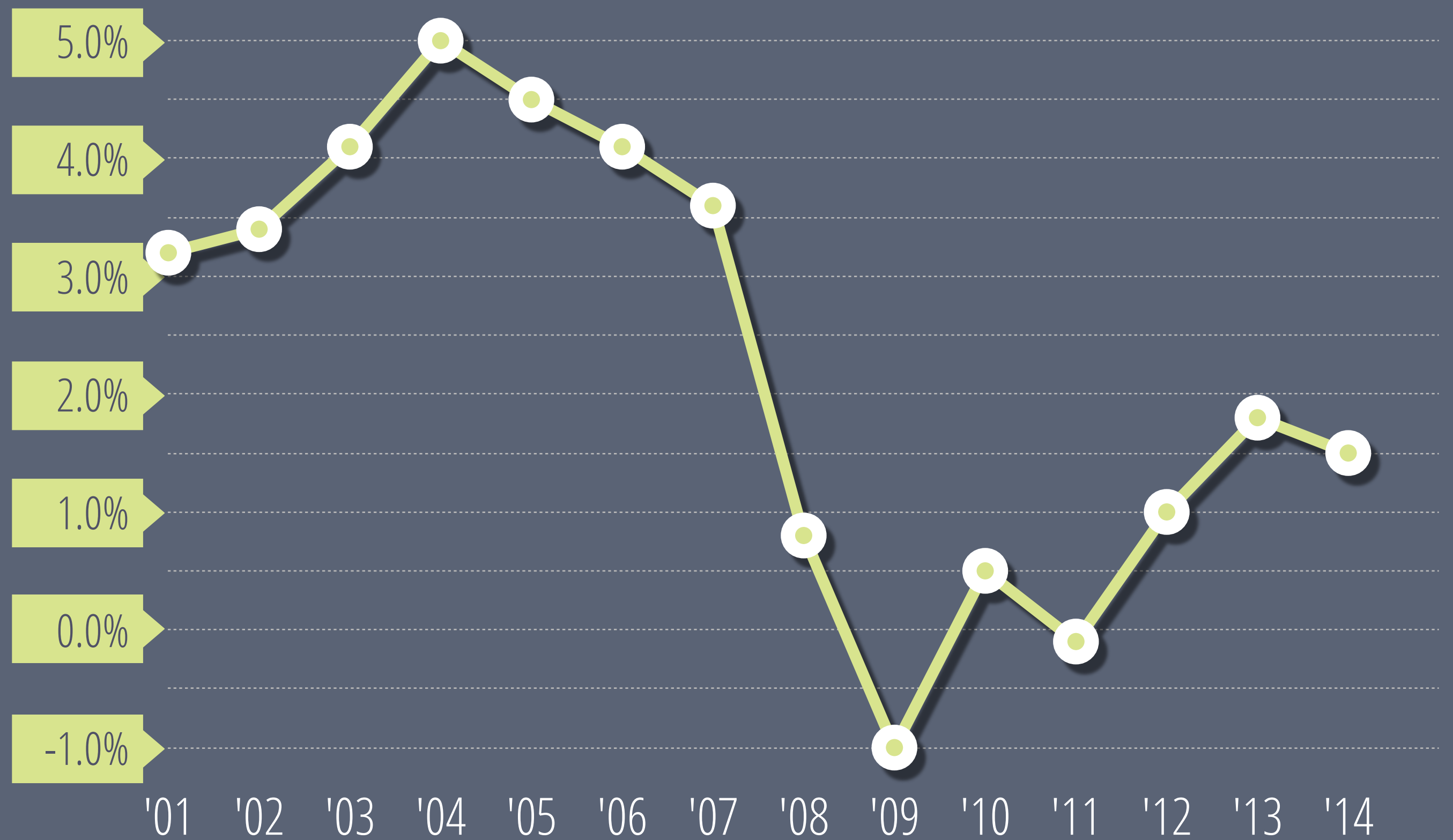
#3 Texas

**1.70%**

# Growth Rate

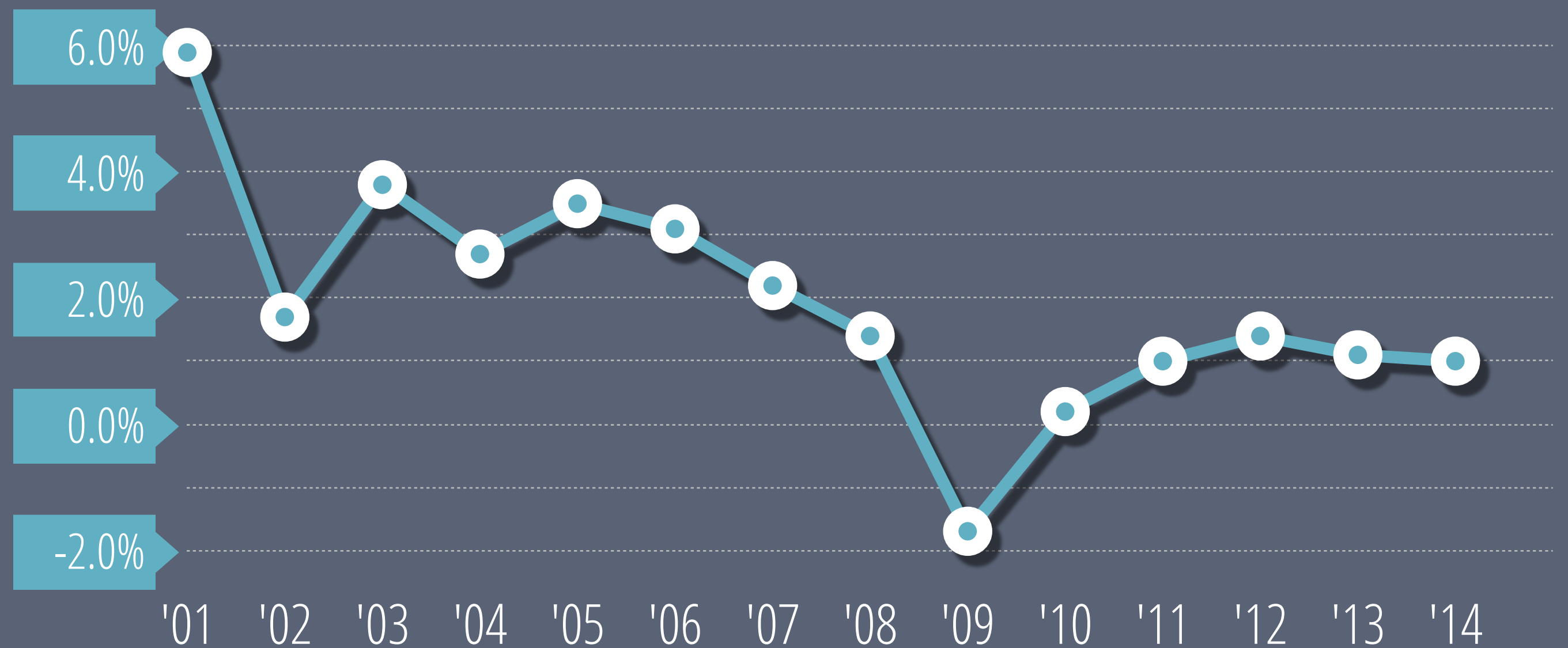
Nevada Population

2014 **1.5%**

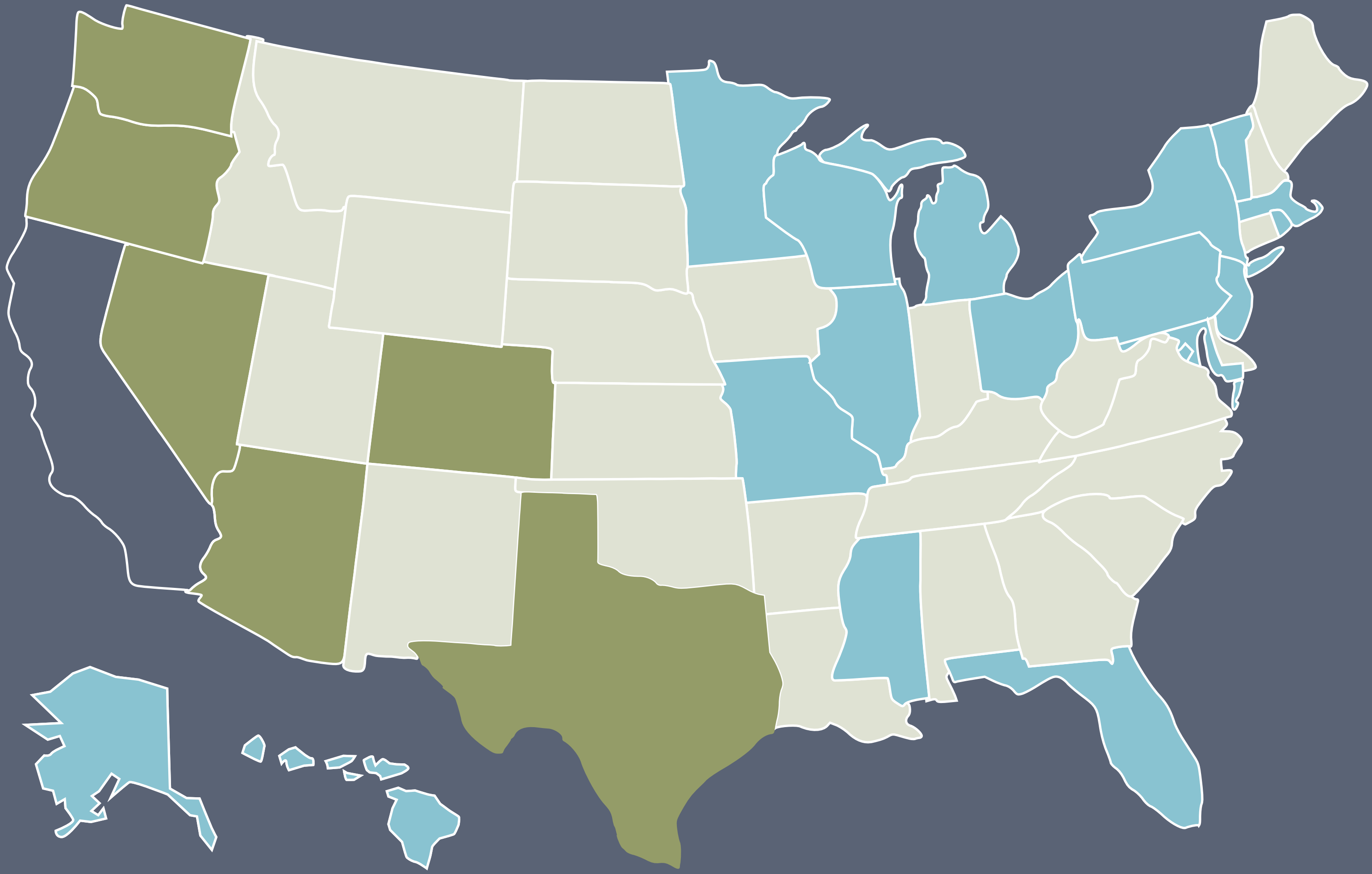


Washoe County Population

2014 **1.0%**



# California net migration



Net migration by state

<b>1 to 15,000</b> moved to California	<b>1 to 19,999</b> left California	<b>20,000+</b> left California
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Source: Beacon Economics (as cited in the LA Times); United States Census Bureau; Applied Analysis

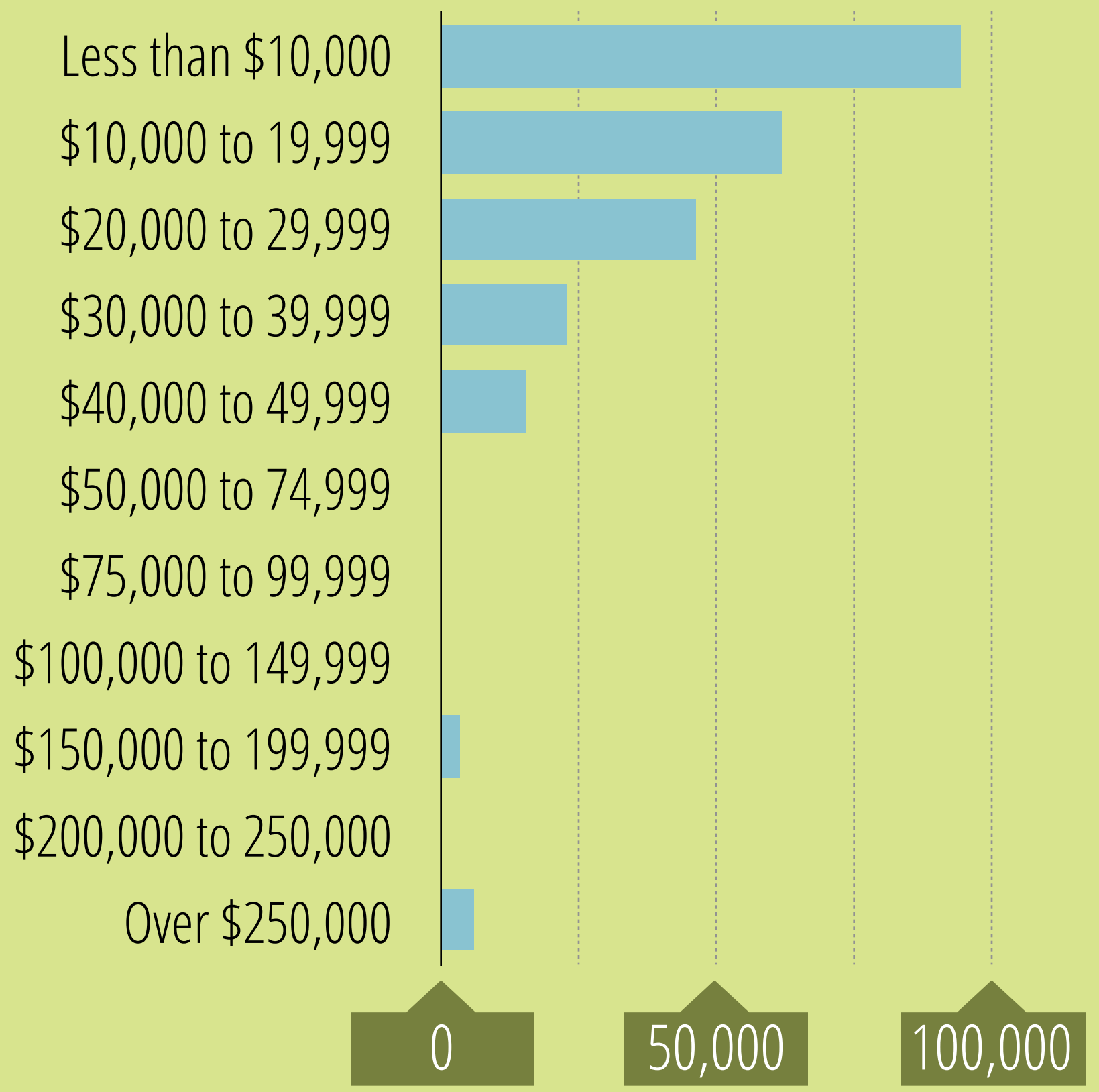
## Migration into Nevada

Top 3 states (2011-2013)

California <b>29,578</b>	Arizona <b>5,464</b>	Texas <b>3,910</b>
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## Migration from California

By income



# Cost of living

2014 Annual Average

	Reno-Sparks	Sacramento	San Francisco	Las Vegas
<b>Composite Index</b>	<b>97.0</b>	<b>112.5</b>	<b>166.9</b>	<b>105.8</b>
<b>Grocery Items</b>	105.8	116.1	123.5	111.2
<b>Housing</b>	85.8	117.4	302.4	107.0
<b>Utilities</b>	81.7	114.7	101.7	90.8
<b>Transportation</b>	107.3	110.7	110.4	104.6
<b>Health Care</b>	94.6	111.8	118.9	102.4
<b>Misc. Goods &amp; Services</b>	104.2	106.5	116.2	108.0

## Moving from Sacramento to Reno-Sparks

Groceries will cost:

**8.9% less**



Housing will cost:

**26.9% less**



Utilities will cost:

**28.8% less**



Transportation will cost:

**3.1% less**



Health Care will cost:

**15.4% less**



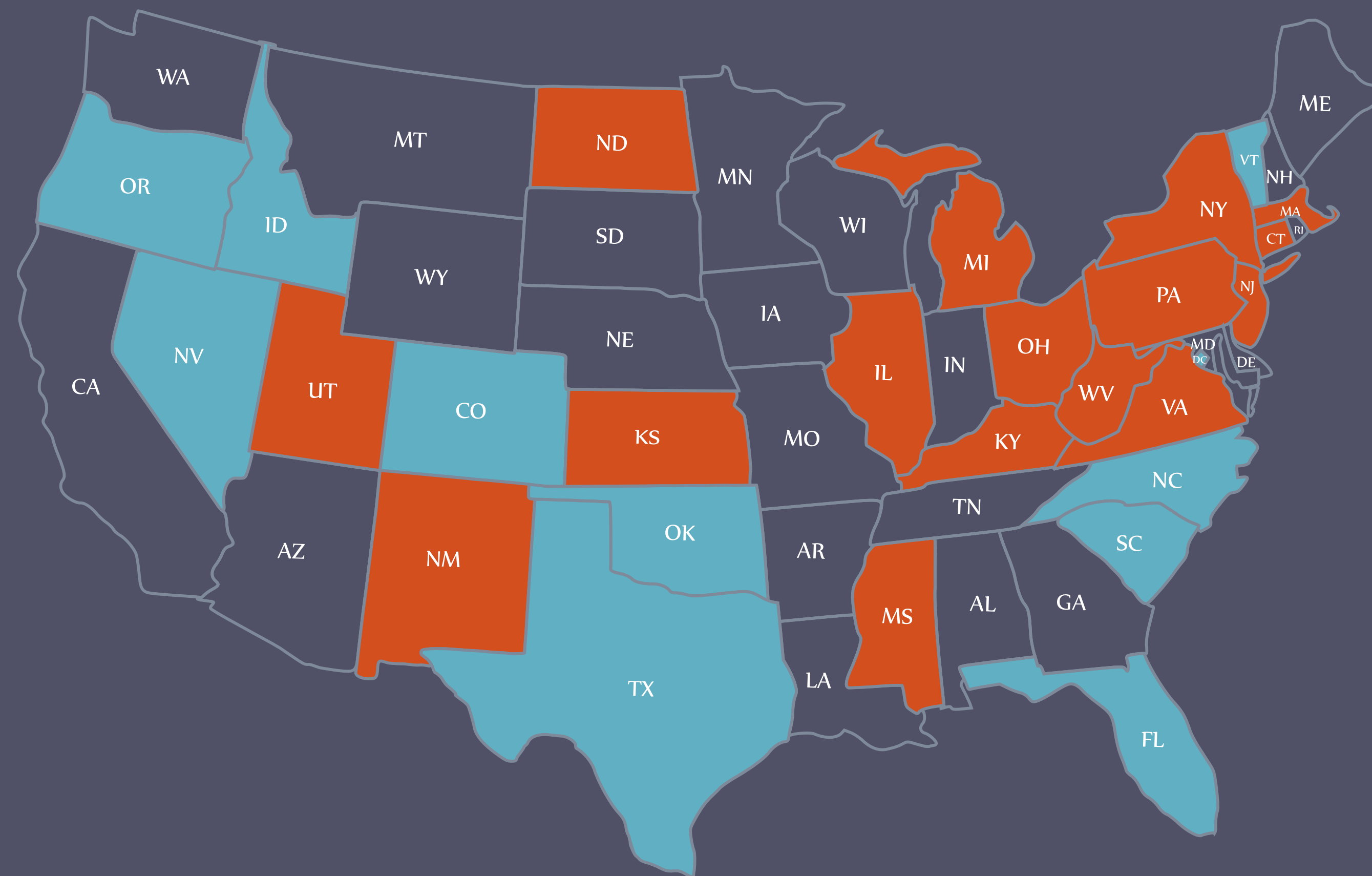


# Nevada has the sixth-highest percentage of inbound movers in the US (57%)

Moved to Nevada to retire **34.4%**

Moved to Nevada for a new job **24.6%**

Moved to Nevada for a company transfer **20.1%**



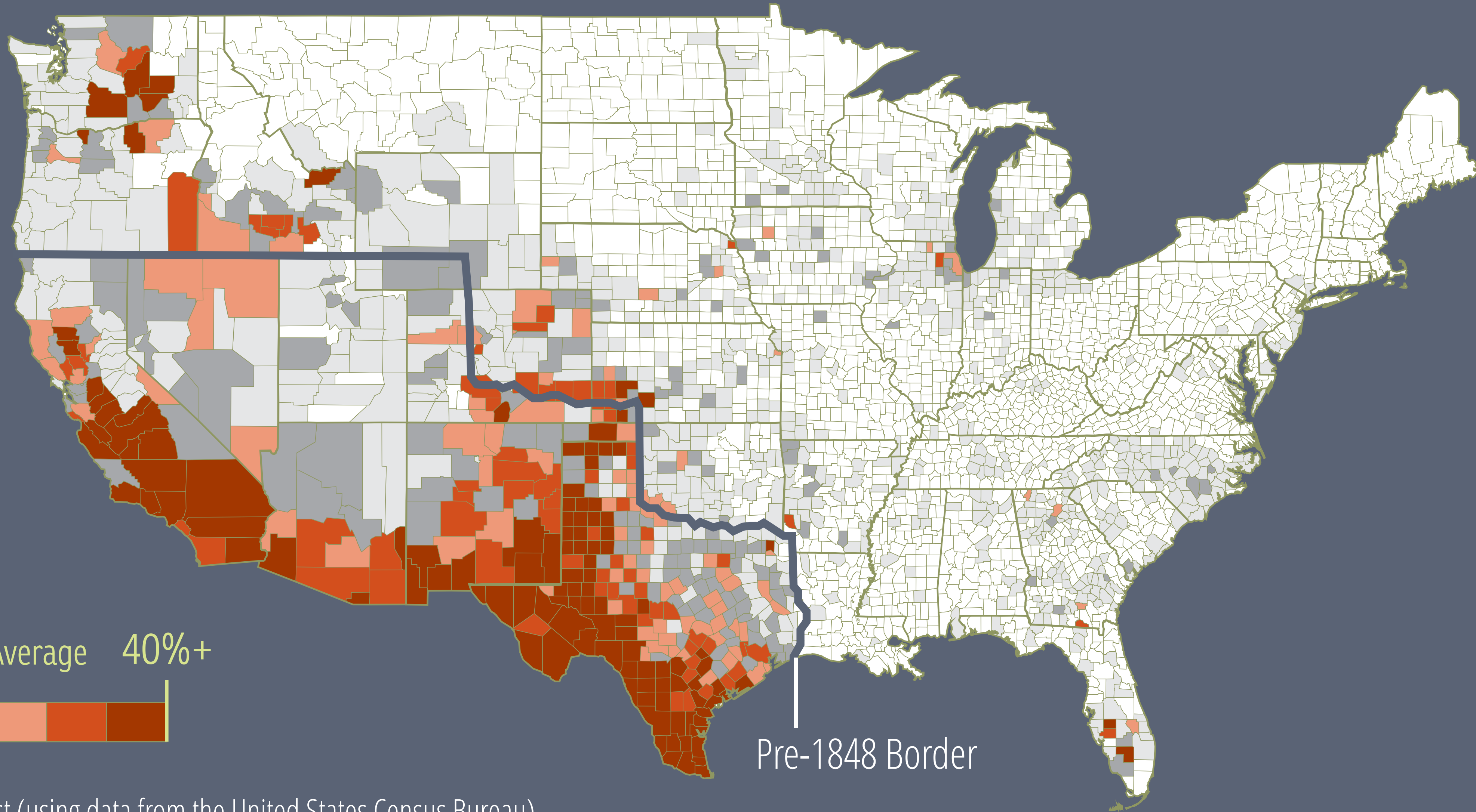
United Van Lines 2014 National Movers Study

High inbound

High outbound

# Mexican origin

Percentage by county



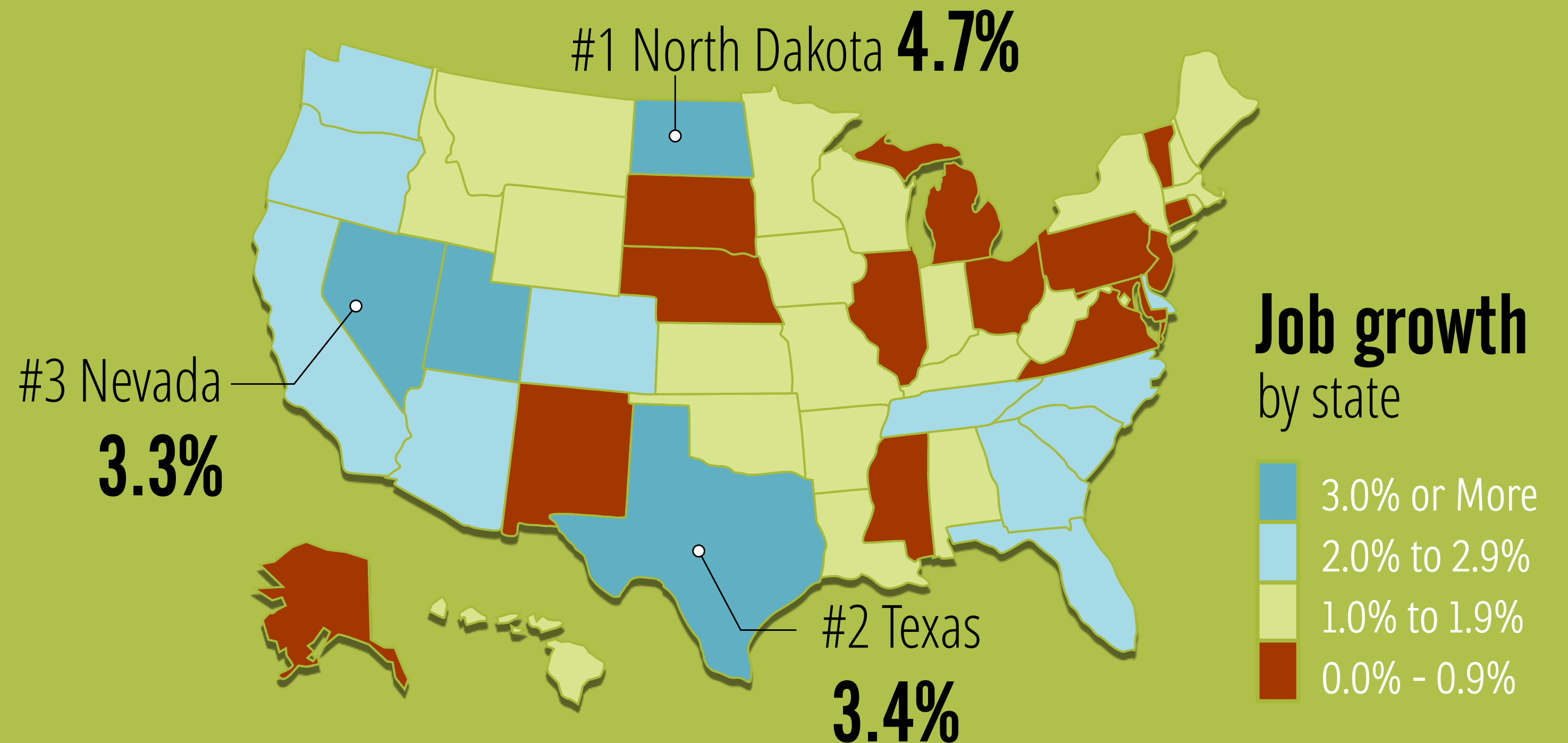
Source: The Economist (using data from the United States Census Bureau)

# Employment



**6,367**

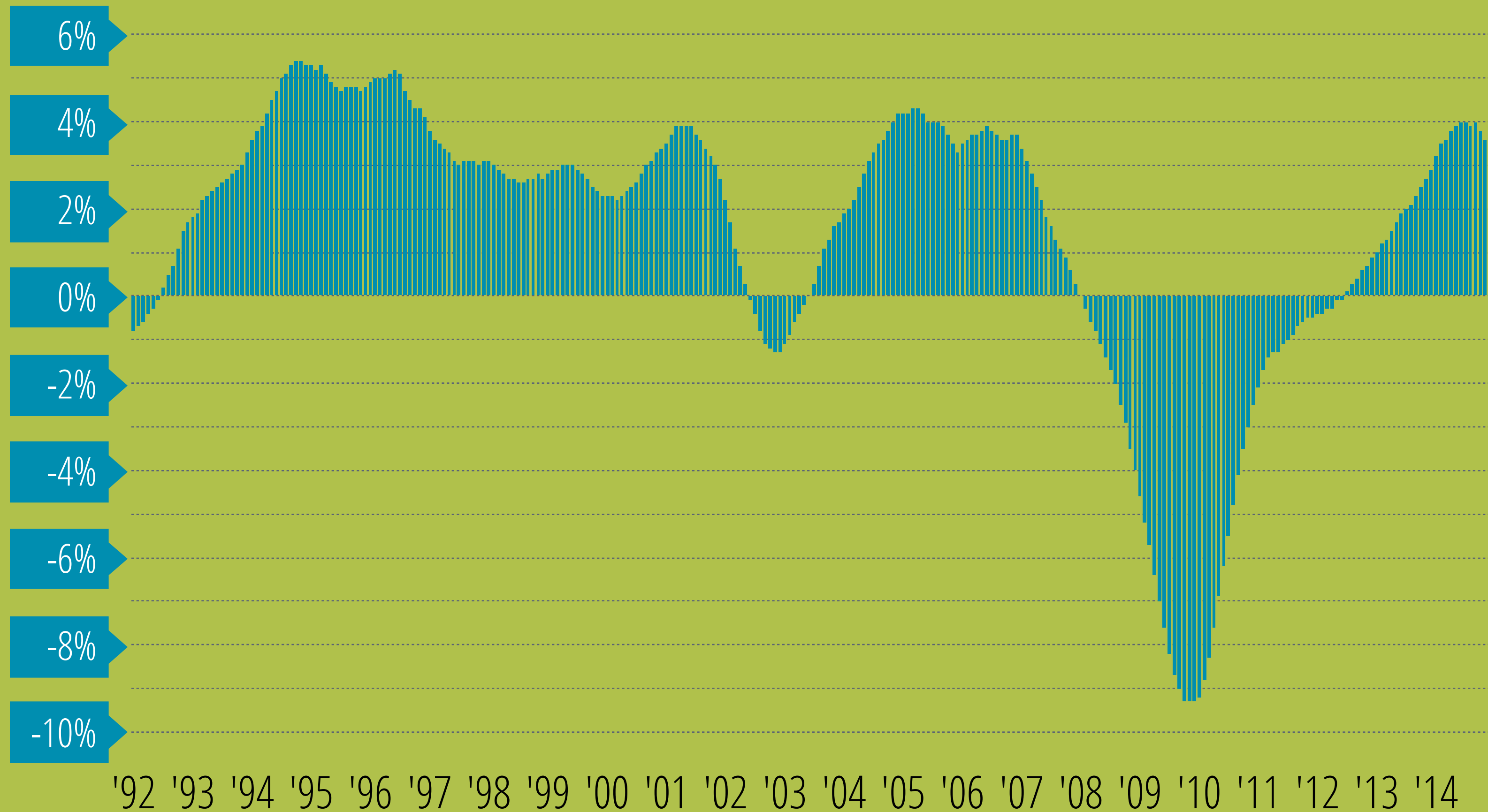
jobs were created in  
northern Nevada from  
2013-2014





# Employment growth

in northern Nevada



## Top Sectors

Job creation from 2013-2014



Prof. & Business Svcs.

**3,008**



Trade, Transp. & Utilities

**1,150**



Construction

**767**



Leisure & Hospitality

**758**



Education & Health Svcs.

**658**

81

assisted companies in 2014

51

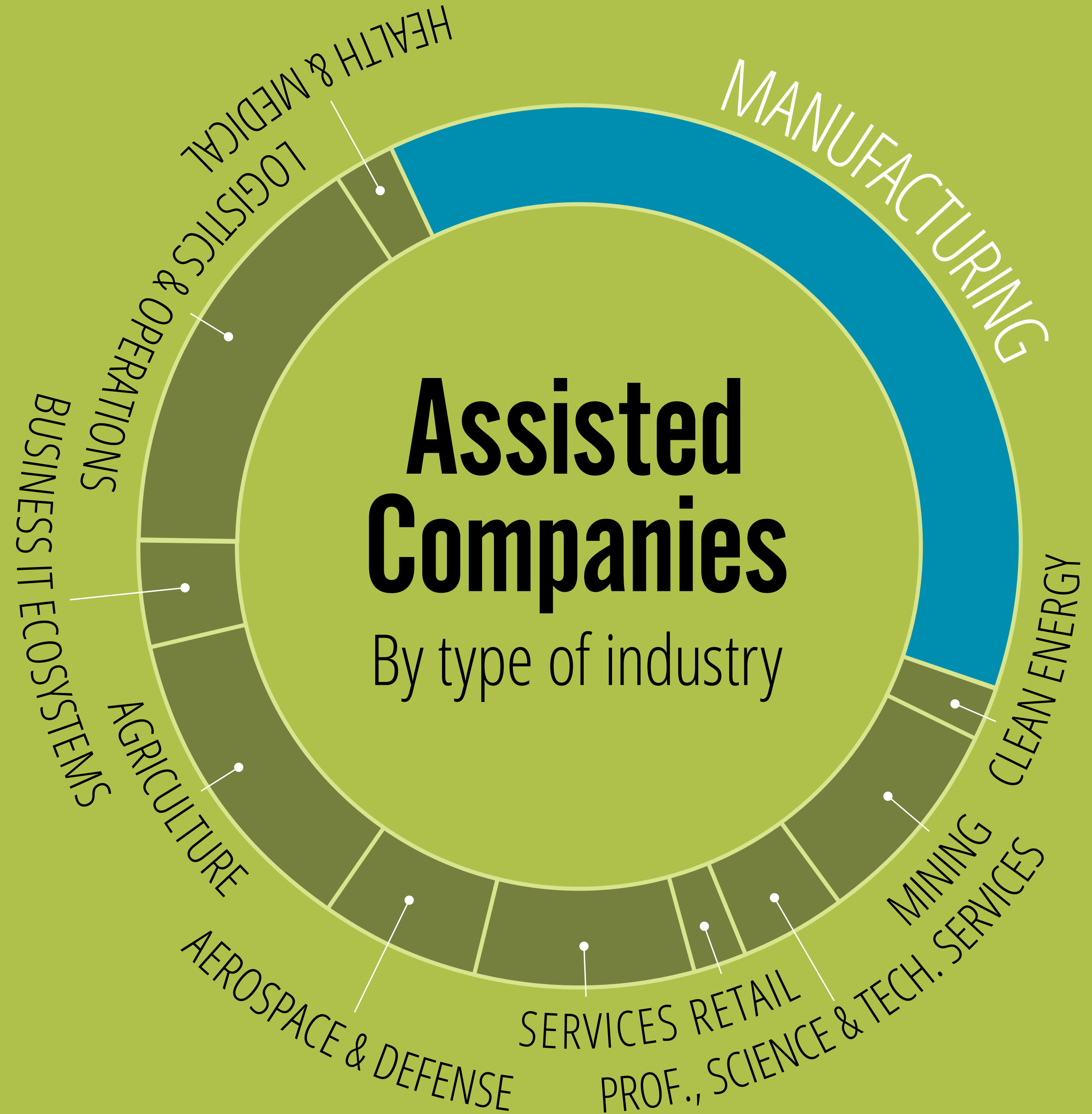
of those are located outside of Clark County

34

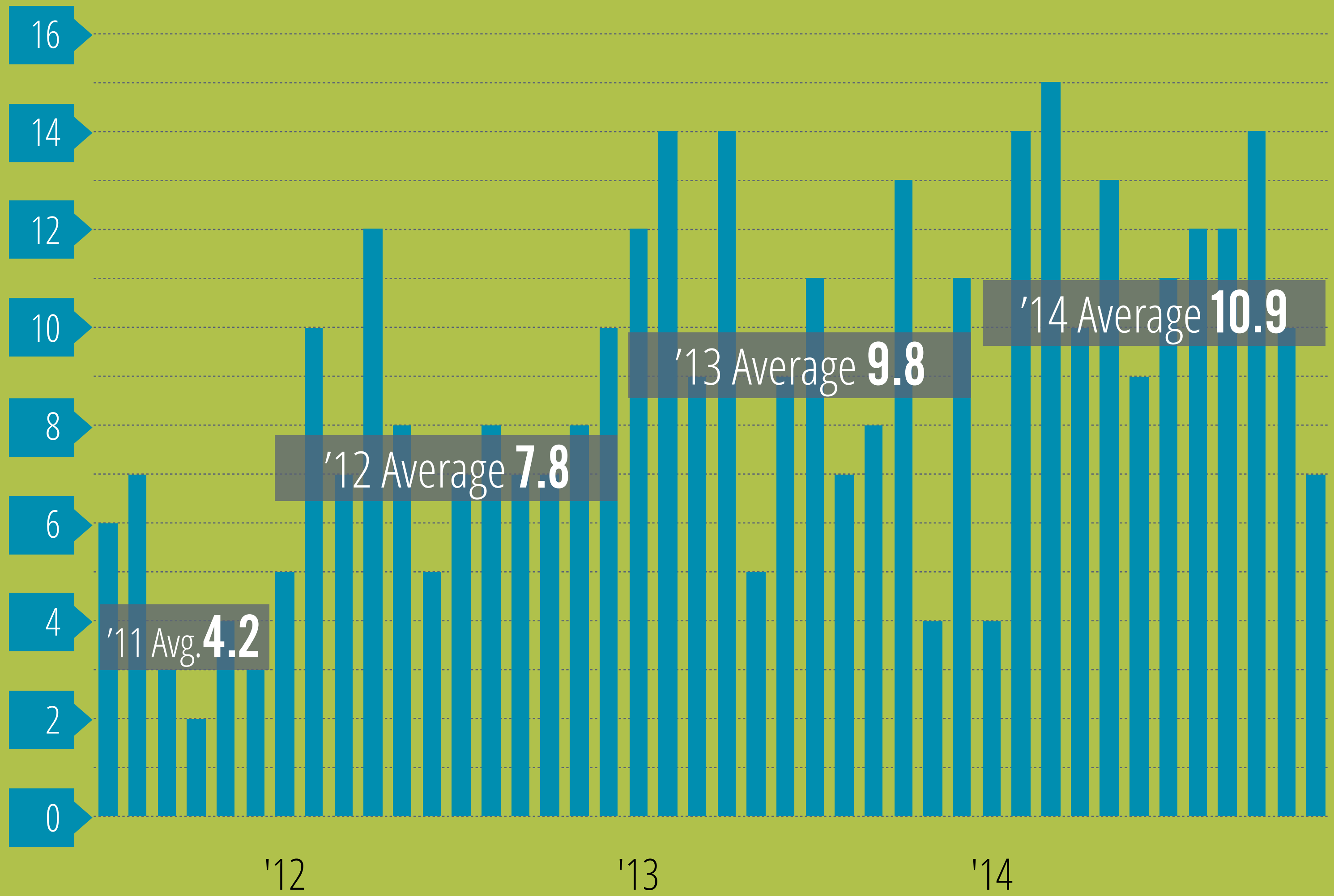
of those companies are new



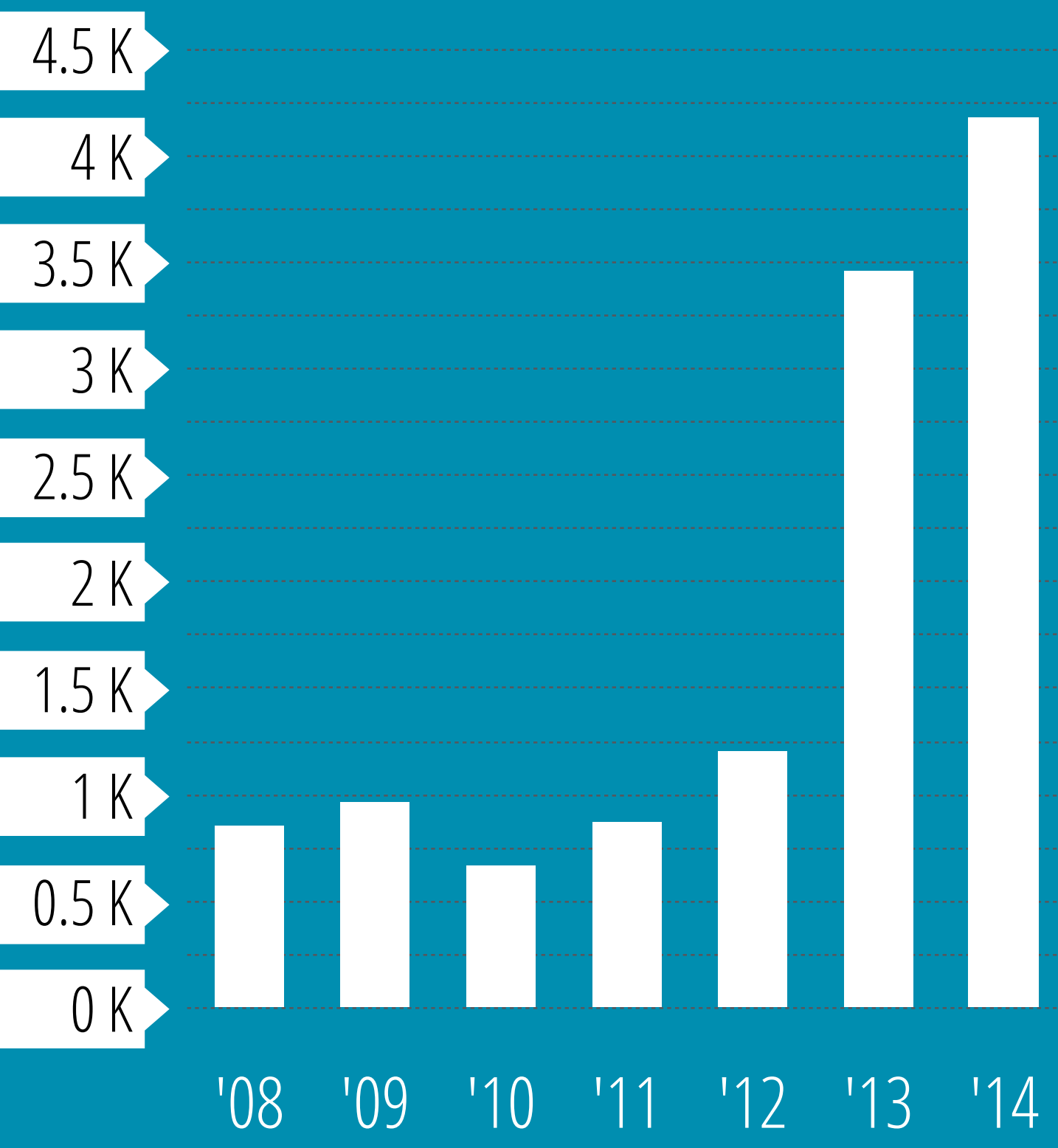
From GOED



# Prospect visits per month



## EDAWN assisted new jobs



2014 includes Year 1 of Tesla (700 jobs)

Source: Economic Development Authority of Western Nevada

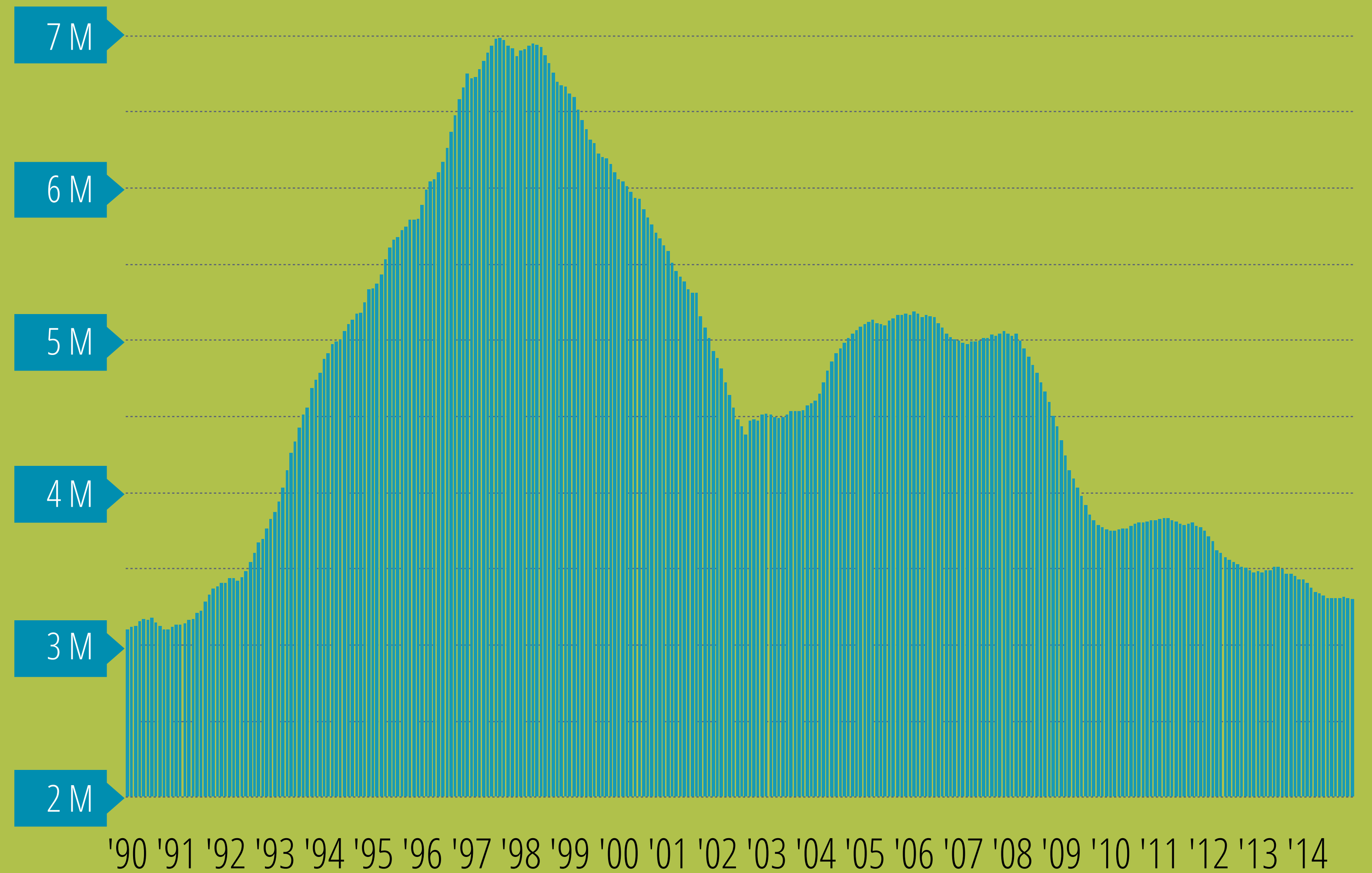
# #8 of the Best Startup Cities in America

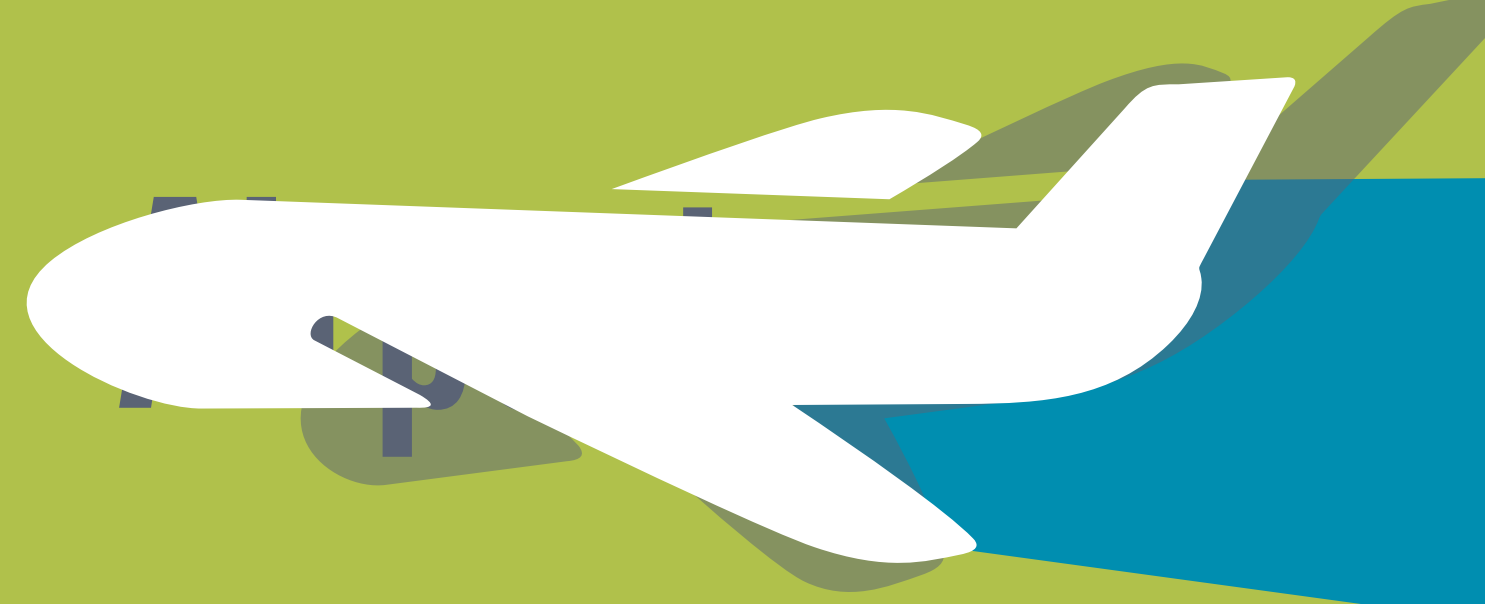
--Popular Mechanics, January 2015

# Airport passenger volume

**-52.8%**

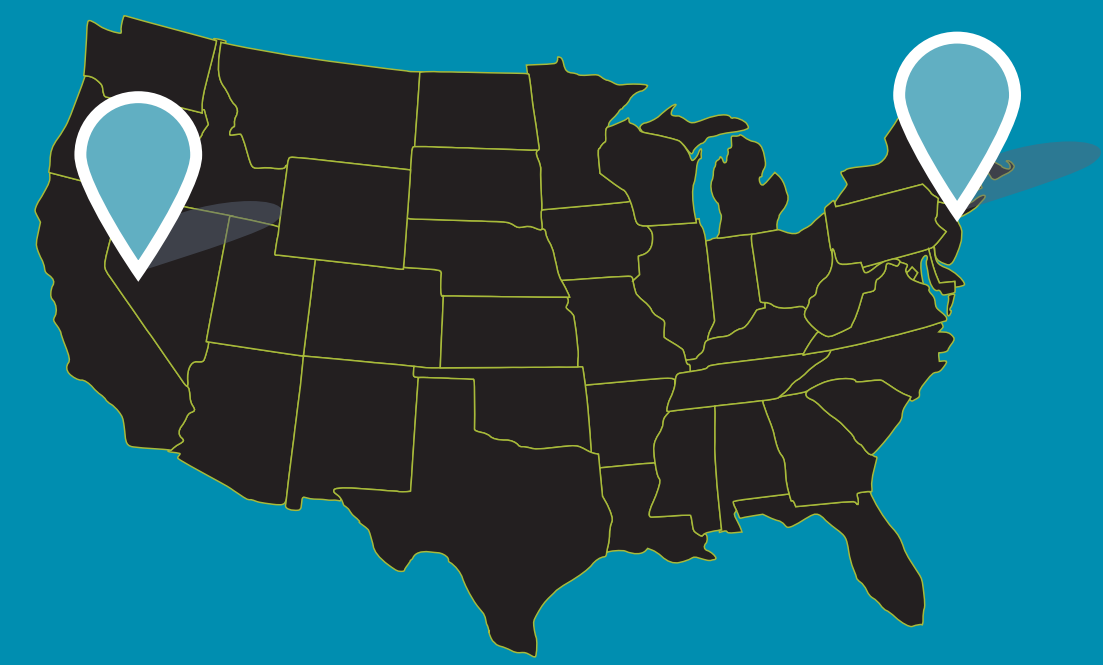
Since peak in 1997





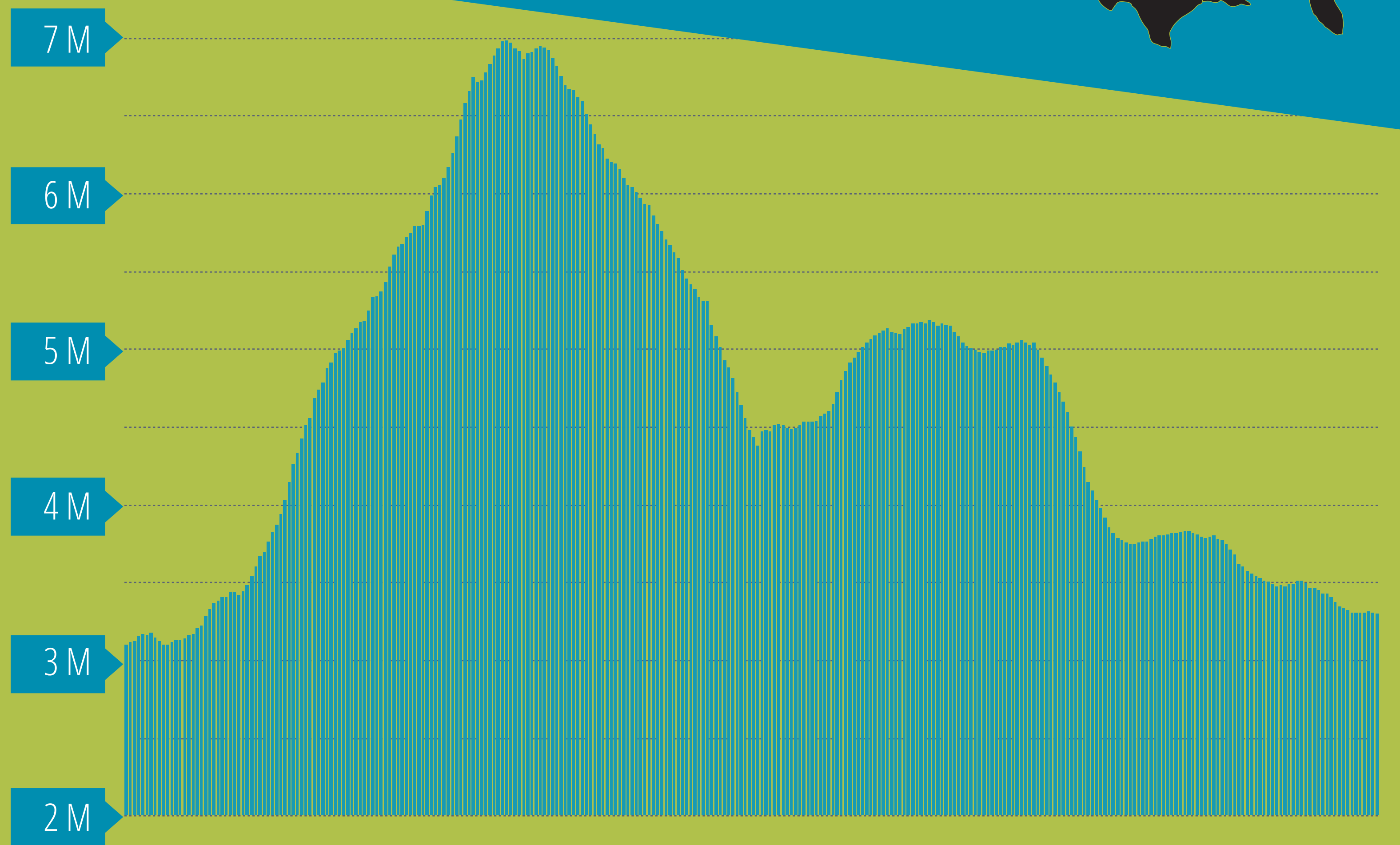
# “Instant credibility”

JetBlue non-stop route Reno-NYC



# -52.8%

Since peak in 1997



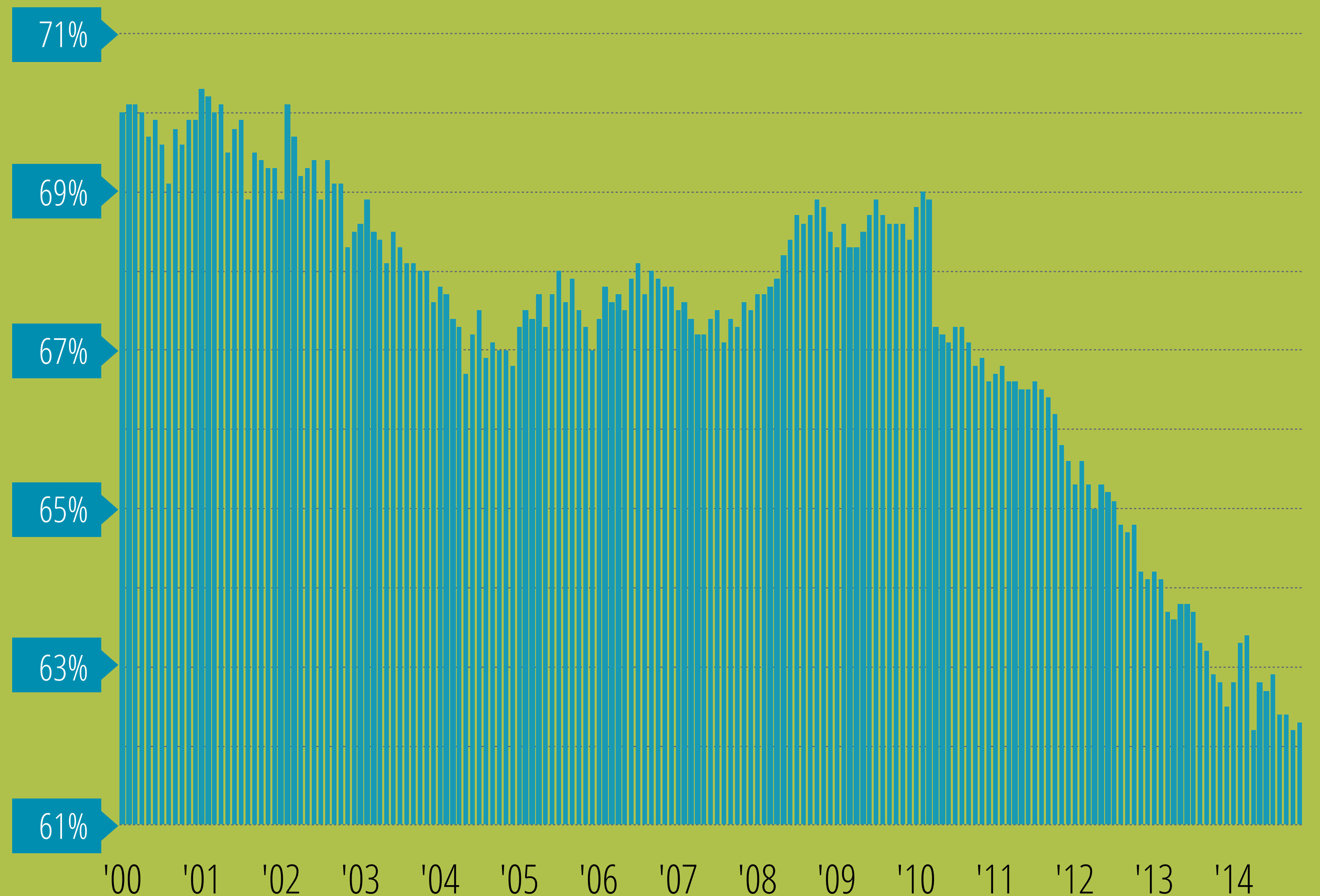
Source: Reno-Tahoe International Airport; Reno Gazette-Journal

# Labor force participation rate

in Nevada

61.8%

Down 8.4 pts.  
since peak in 2001



# Number of hours worked per employee

Northern Nevada (Private employment only)

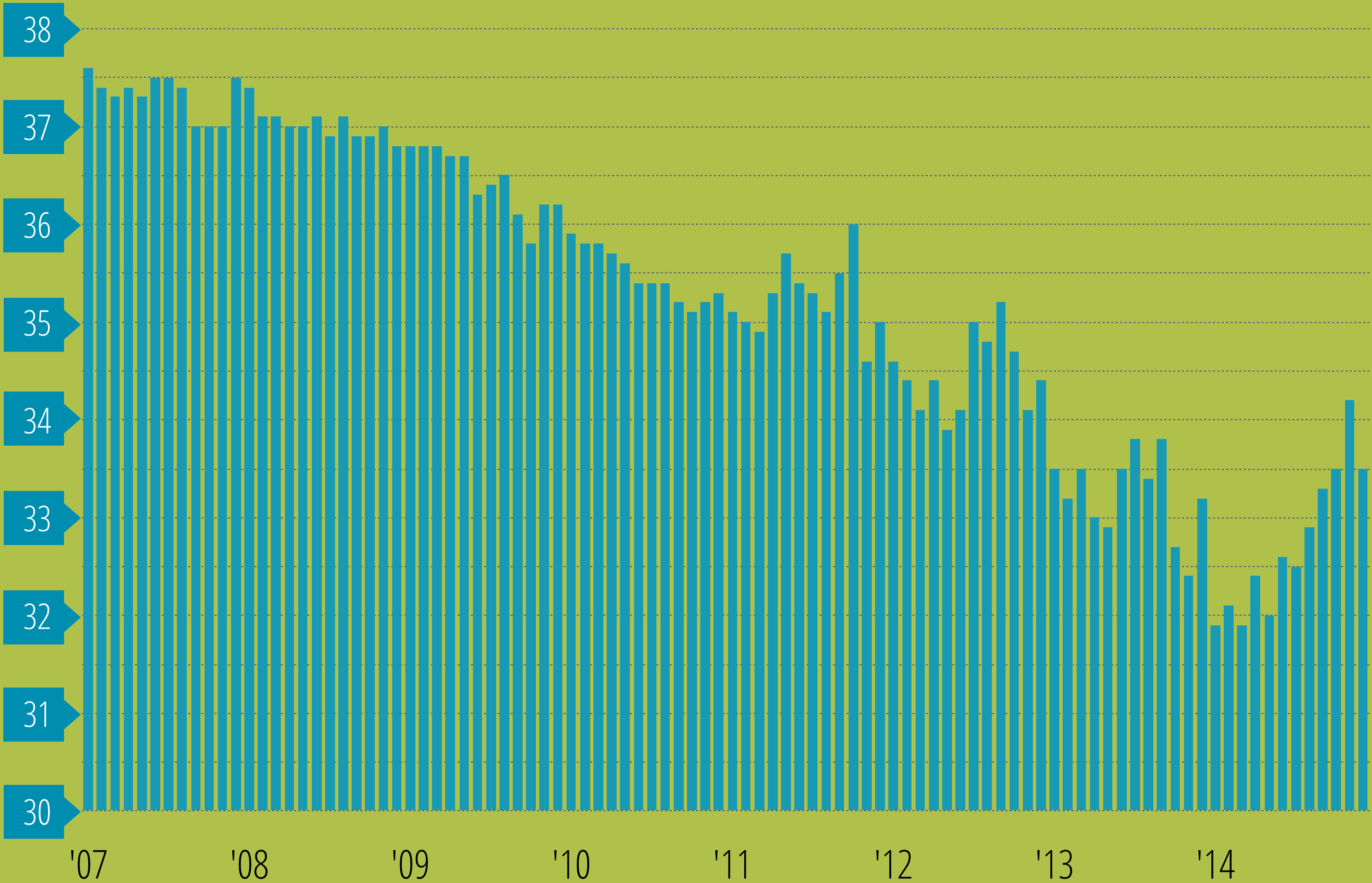
33.5

Peak to present

-10.9%

Trough to present

5.0%



Source: United States Bureau of Labor Statistics



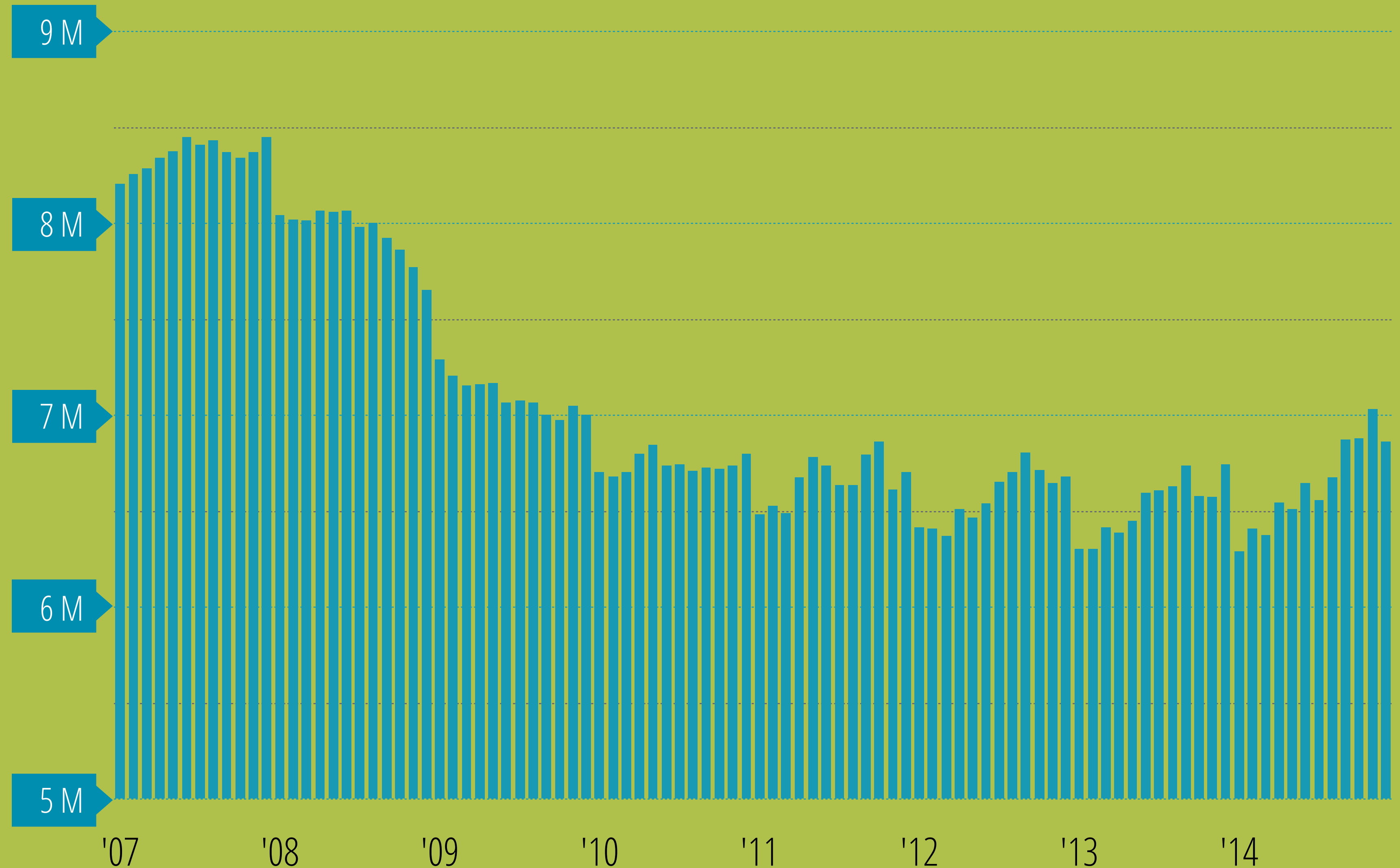
# Total number of hours worked

Northern Nevada

**6.9 M**

Peak to present  
**-18.8%**

Trough to present  
**9.0%**



# Effective employment

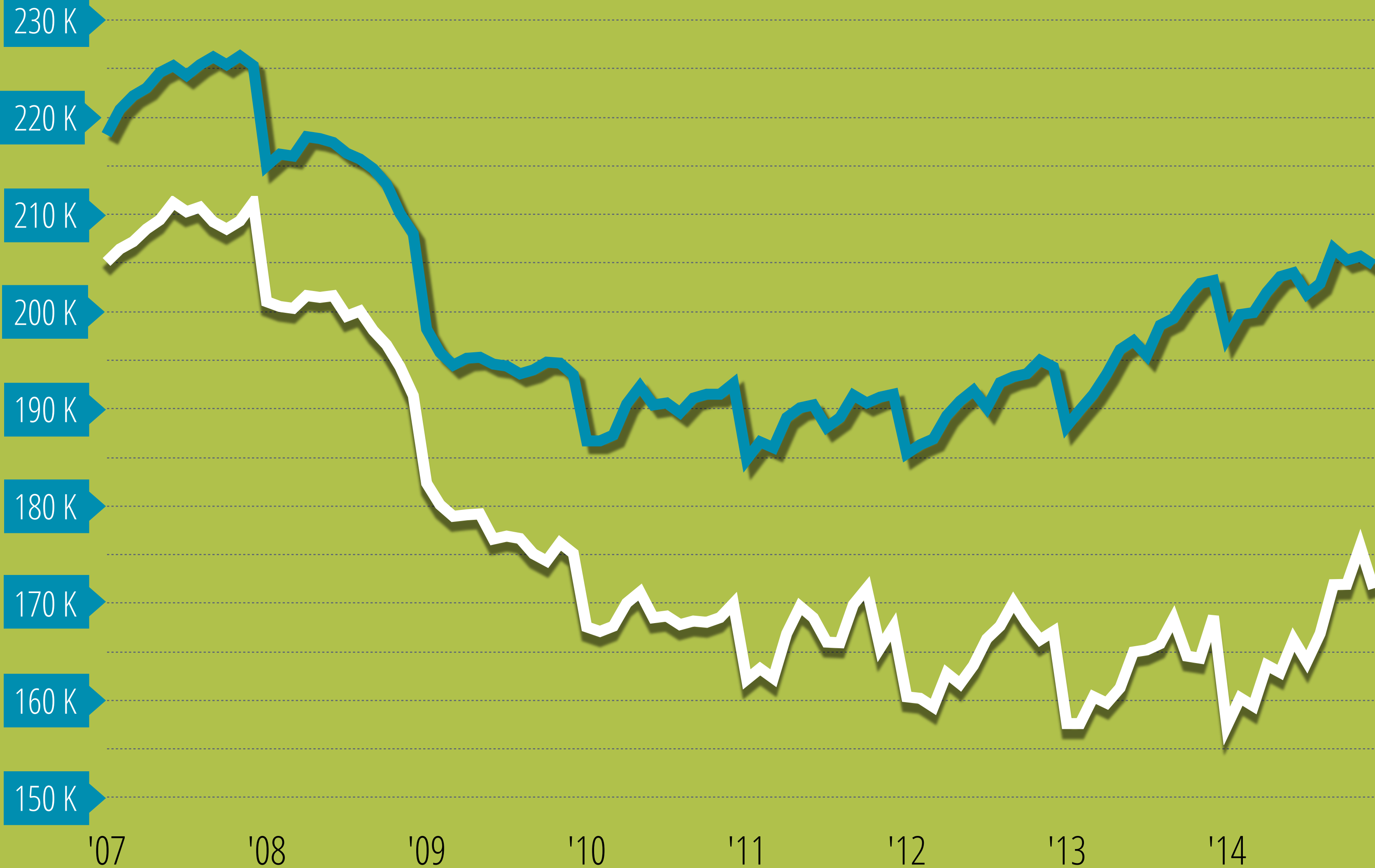
Northern Nevada

Employment

Effective Employment

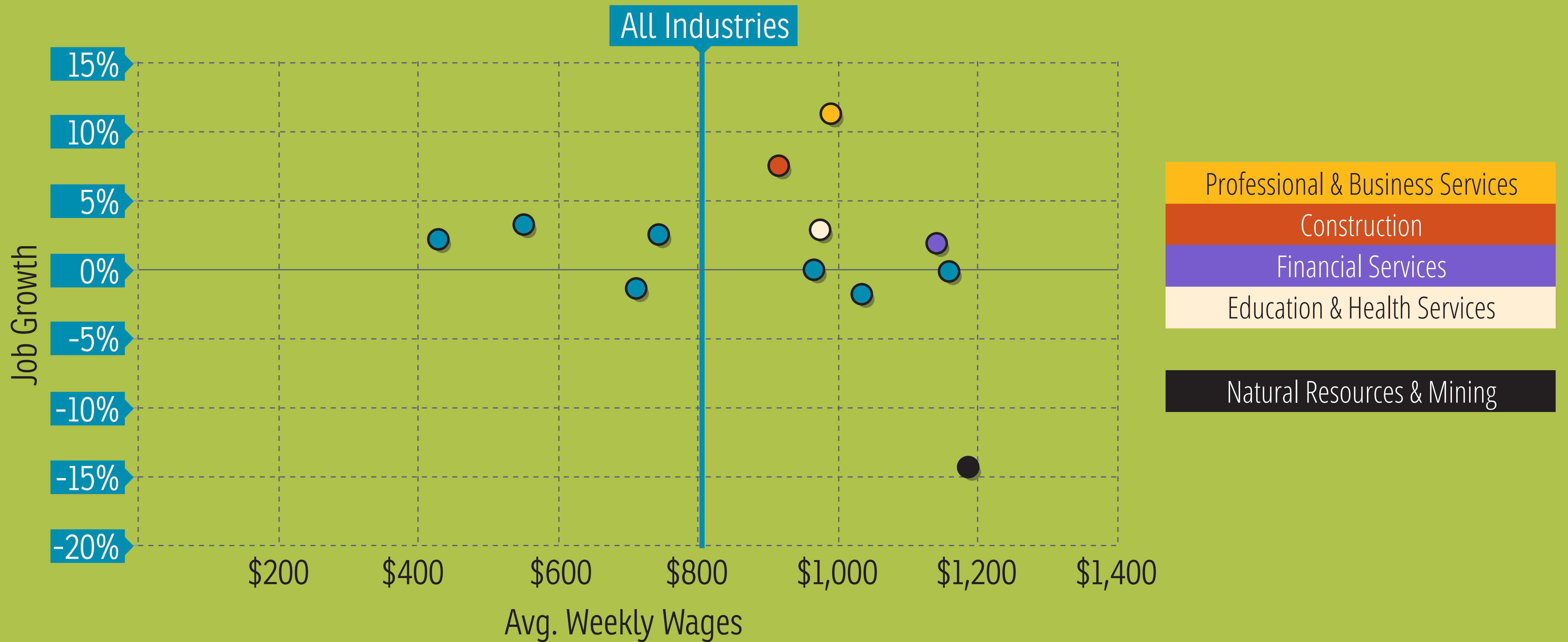
19.4%

Differential



Source: United States Bureau of Labor Statistics; Applied Analysis

# Wages and employment growth

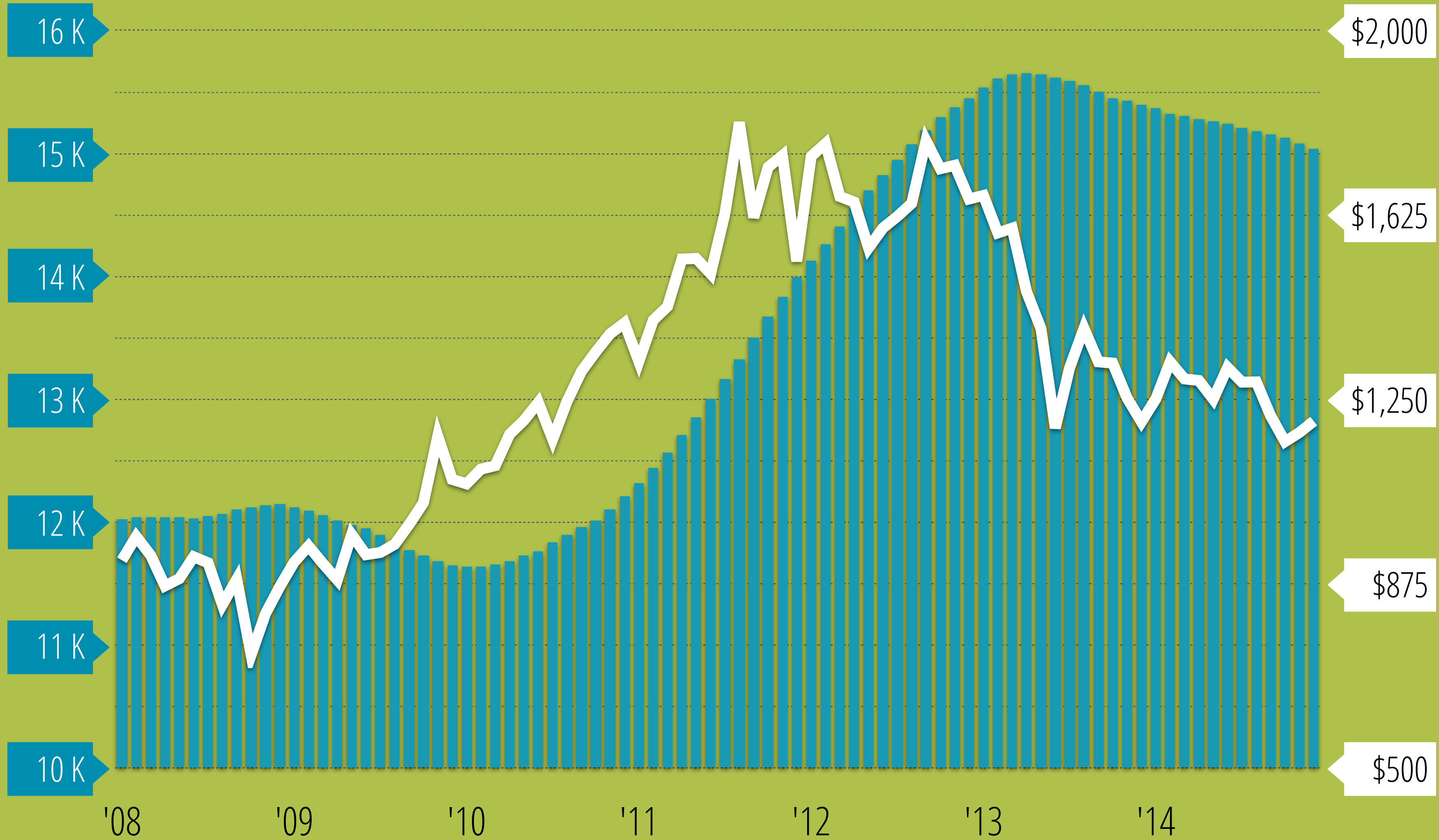


# Mining volatility

Natural Resources and Mining Employment (in Nevada)

Gold Prices

Gold Prices  
**-33.5%**  
From peak in 2011



Source: United States Bureau of Labor Statistics; World Gold Council



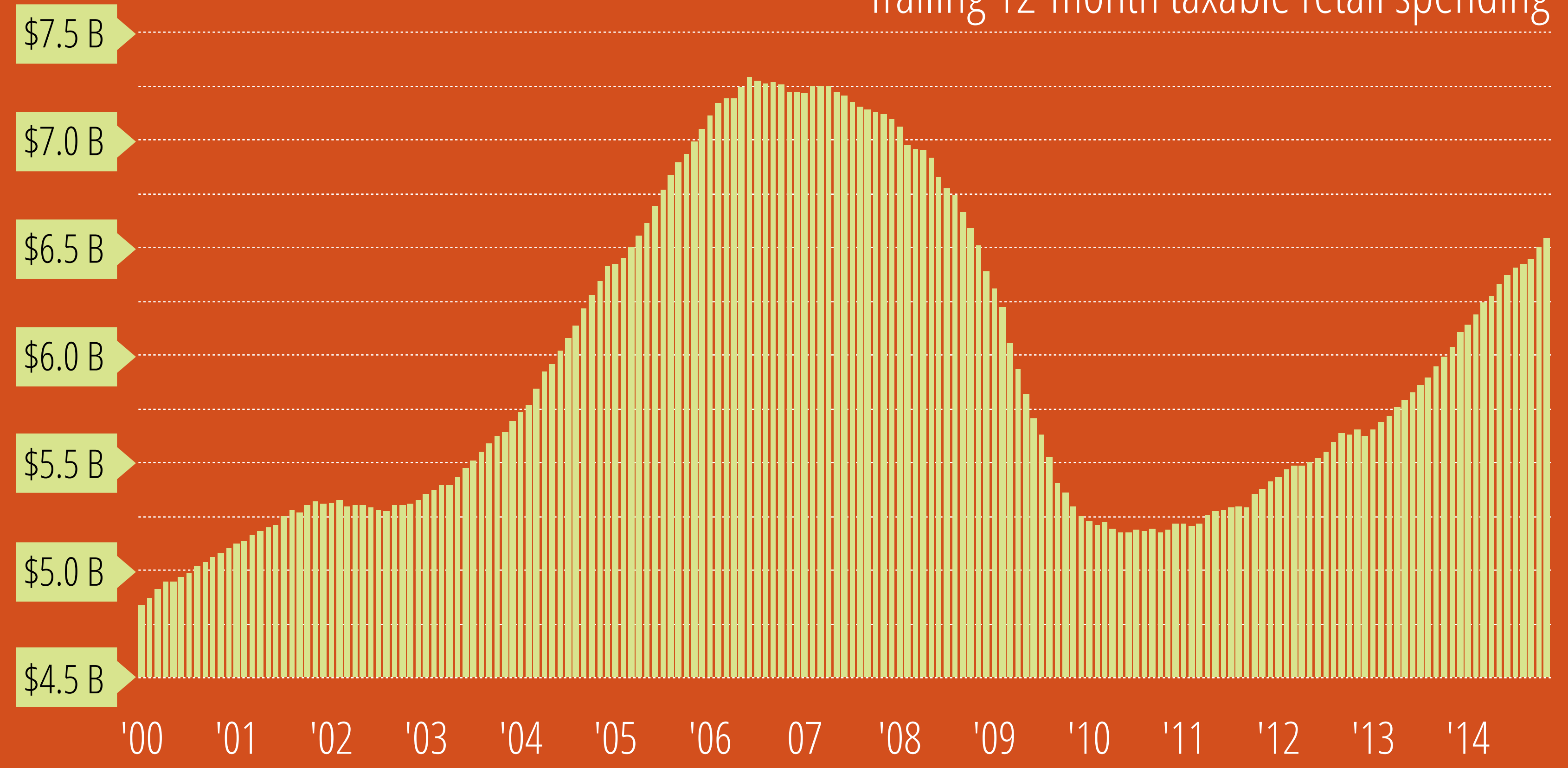
# Income & Spending



Washoe County  
total taxable spending

**\$6.5 B**

Trailing 12-month taxable retail spending



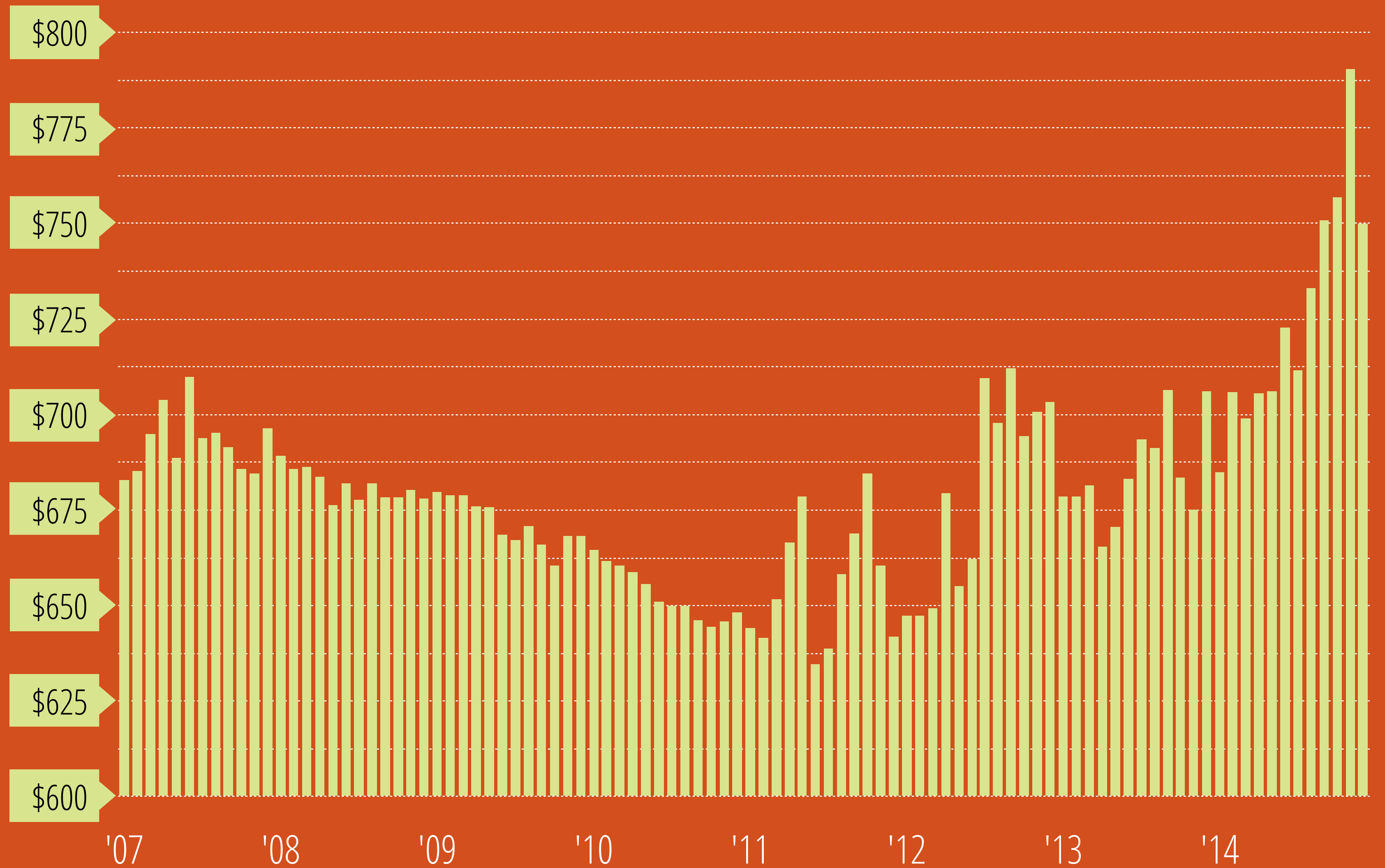
Source: Nevada Department of Taxation

# Weekly wages per employee

Northern Nevada (Private employment only)

**\$750.07**

Peak  
**\$790.36**  
November 2014



# Wage growth

From 2004 to 2013

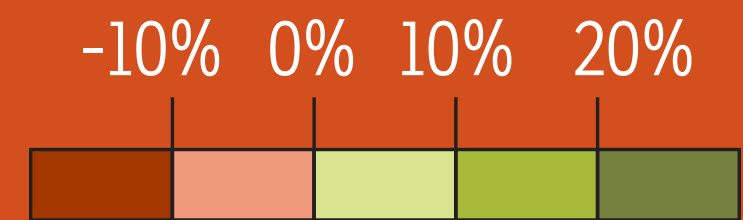
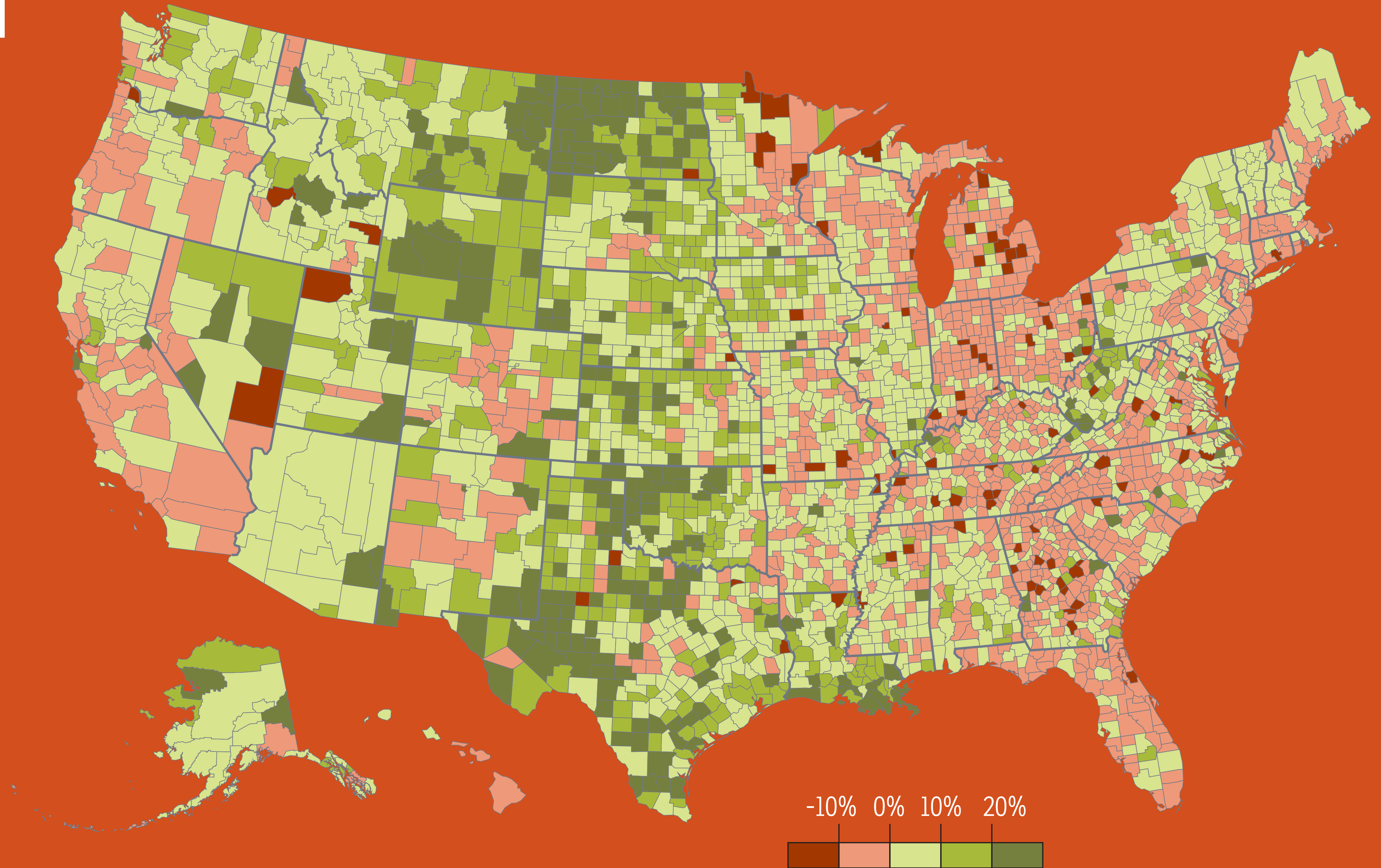
**-4.8%**

2004

**\$45,711**

2013

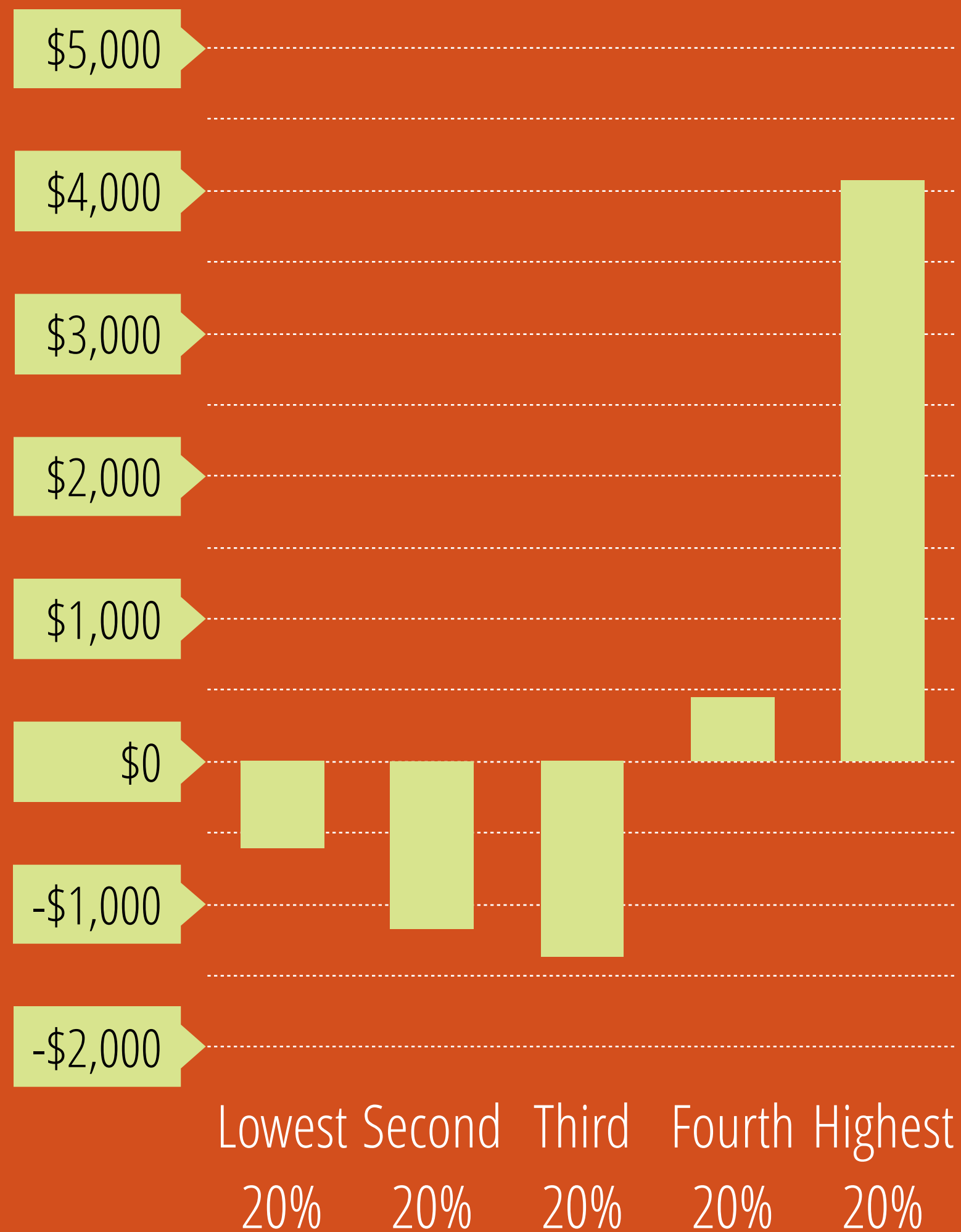
**\$43,508**



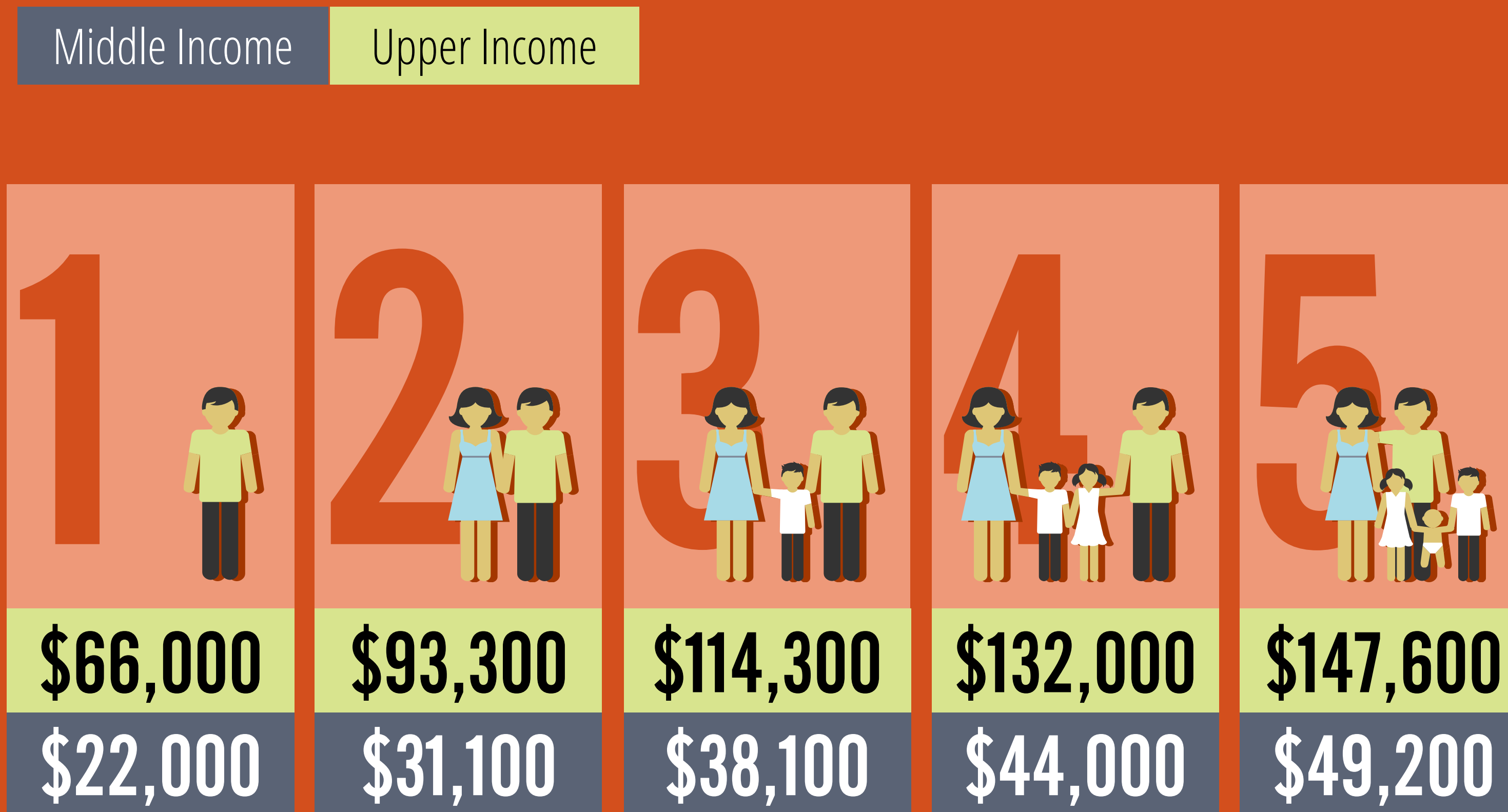
Source: The Wall Street Journal (using data from the United States Bureau of Labor Statistics)

# Change in wealth

By income quintile, 2008-2013



## Who is "Middle Income" and "Upper Income"?



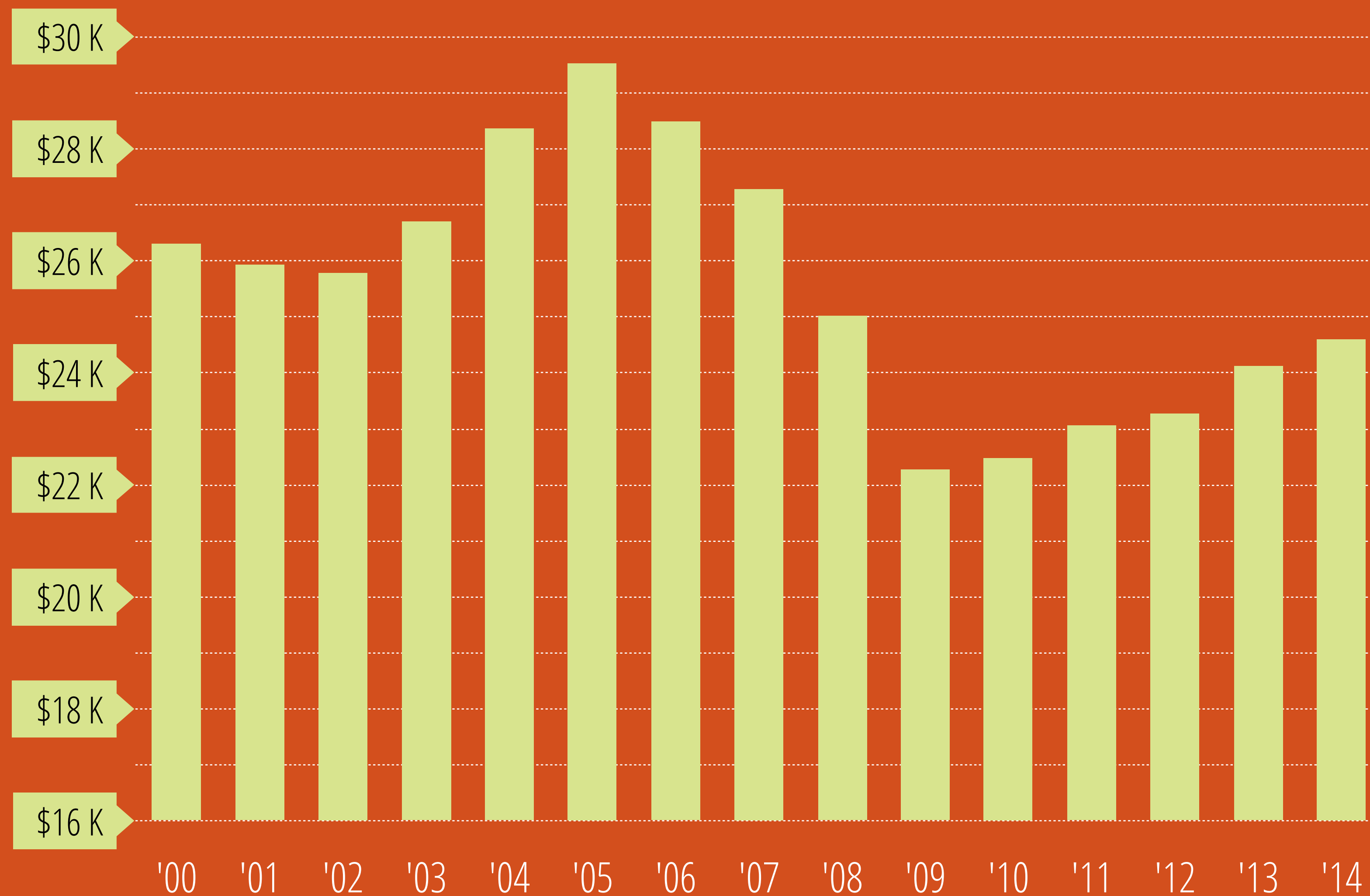
Minimum 2013 household income required, by family size

Source: The Wall Street Journal (using data from the Pew Research Center and the United States Labor Department); chart recreated by Applied Analysis using data from the United States Bureau of Labor Statistics



# Taxable retail spending per employee

Inflation-adjusted (2000 = 100), Washoe County



## Growth in top 5 retail categories

Past 12 months



Food Svcs. & Drinking Places

**5.7%**



Motor Vehicle & Parts Dealers

**6.7%**



General Merchandise Stores

**0.6%**



Merchant Wholesalers,  
Durable Goods

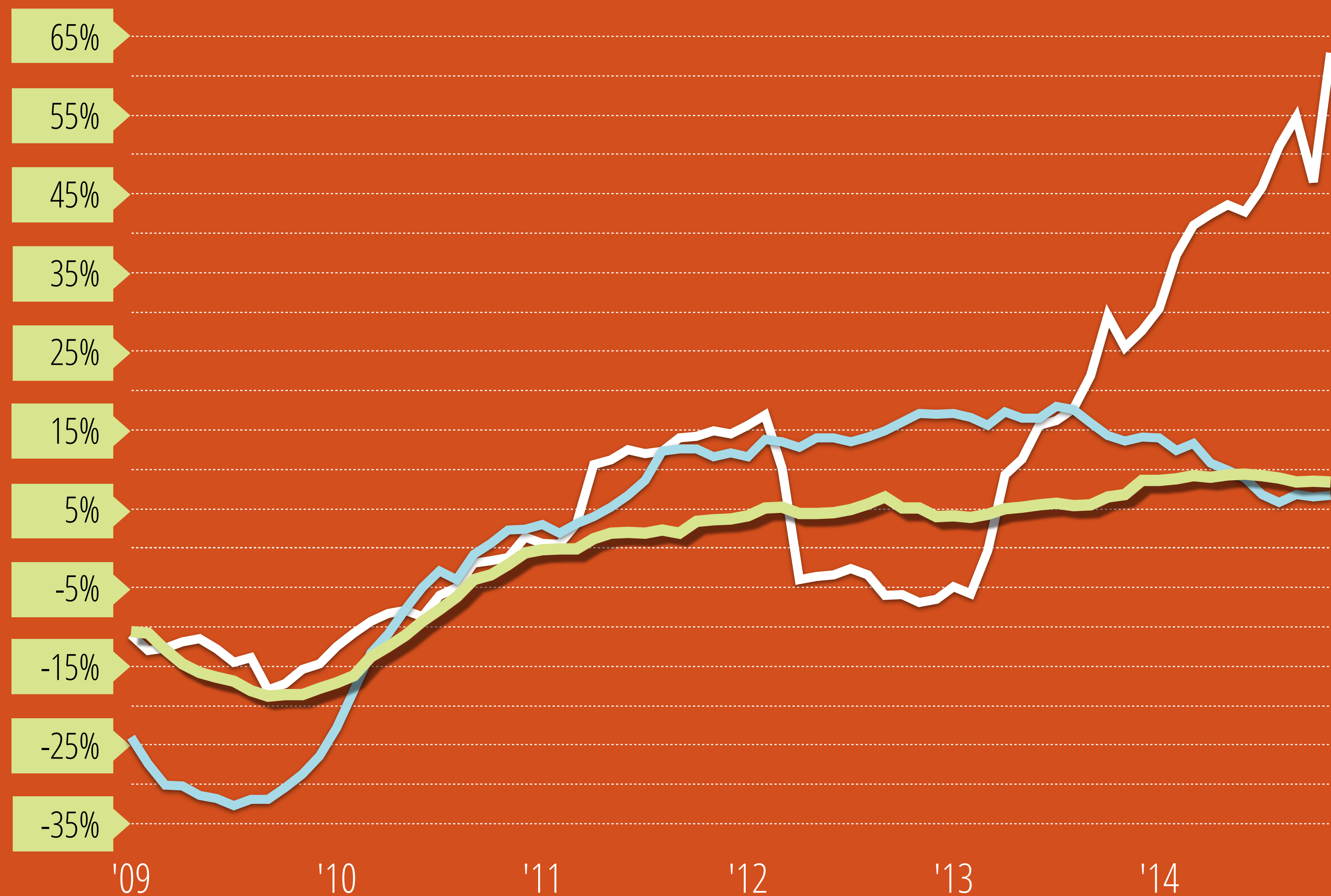
**15.0%**



Building Material & Garden  
Equipment & Supplies

**11.9%**

# Comparative trends



Total Taxable Retail Sales

**8.4%** past 12 months

Nonstore Retailers

**62.9%** past 12 months

(1.8% of all taxable retail sales)

Motor Vehicle & Parts Dealers

**6.7%** past 12 months

(13.8% of all taxable retail sales)

# Gasoline prices

US regular gasoline (all formulations)



## Nevada

Today

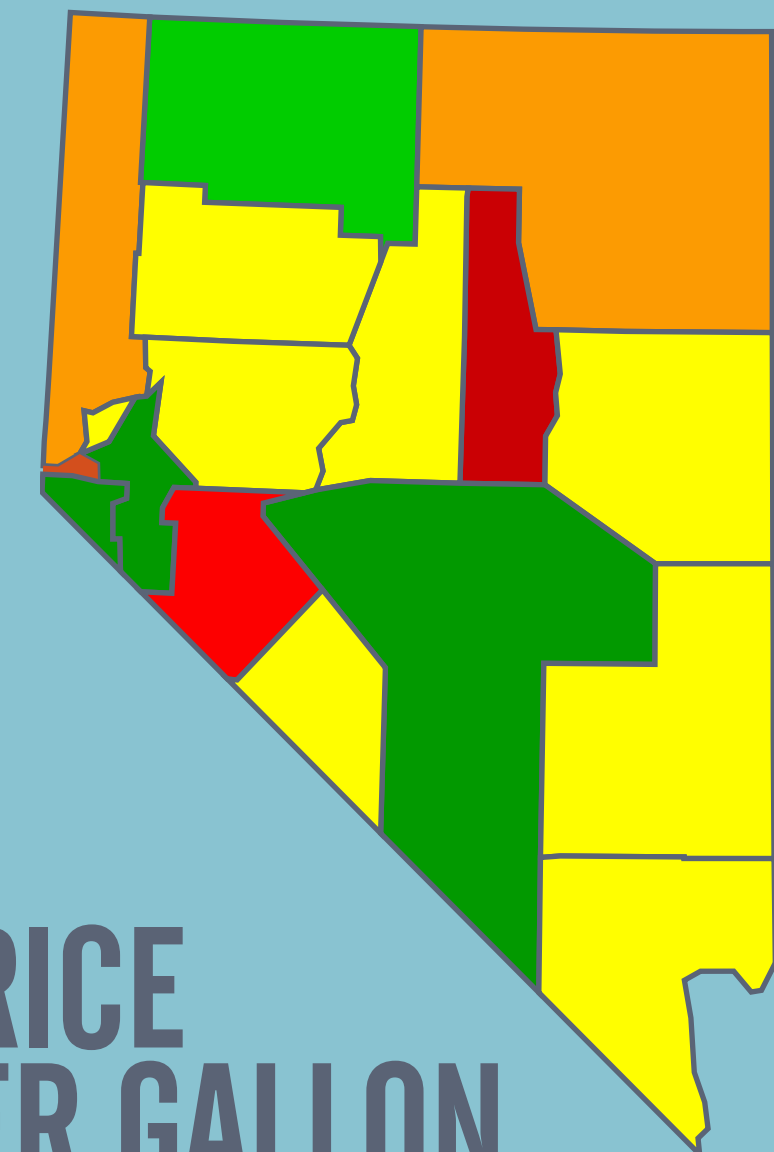
**\$2.25** **-31.7%**

One month ago

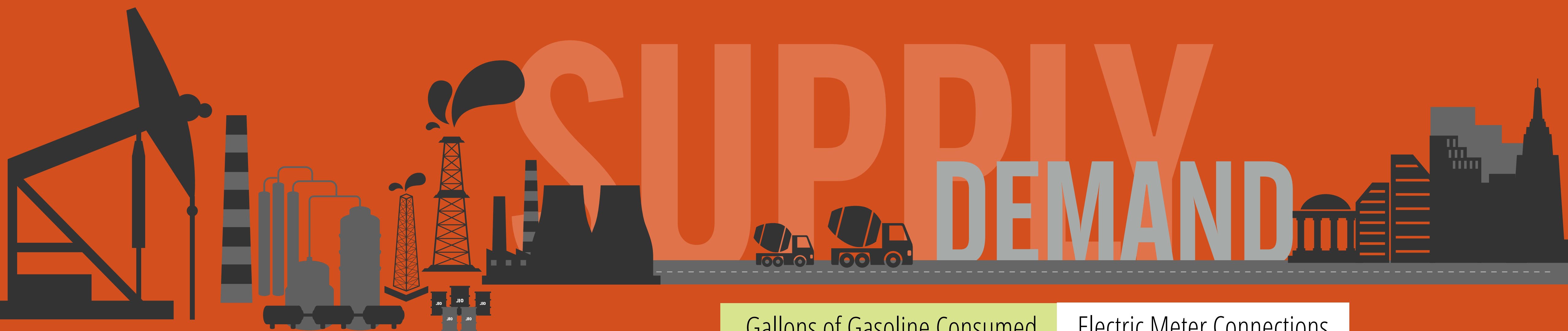
**\$2.45**

One year ago

**\$3.29**



**PRICE  
PER GALLON**



Gallons of Gasoline Consumed

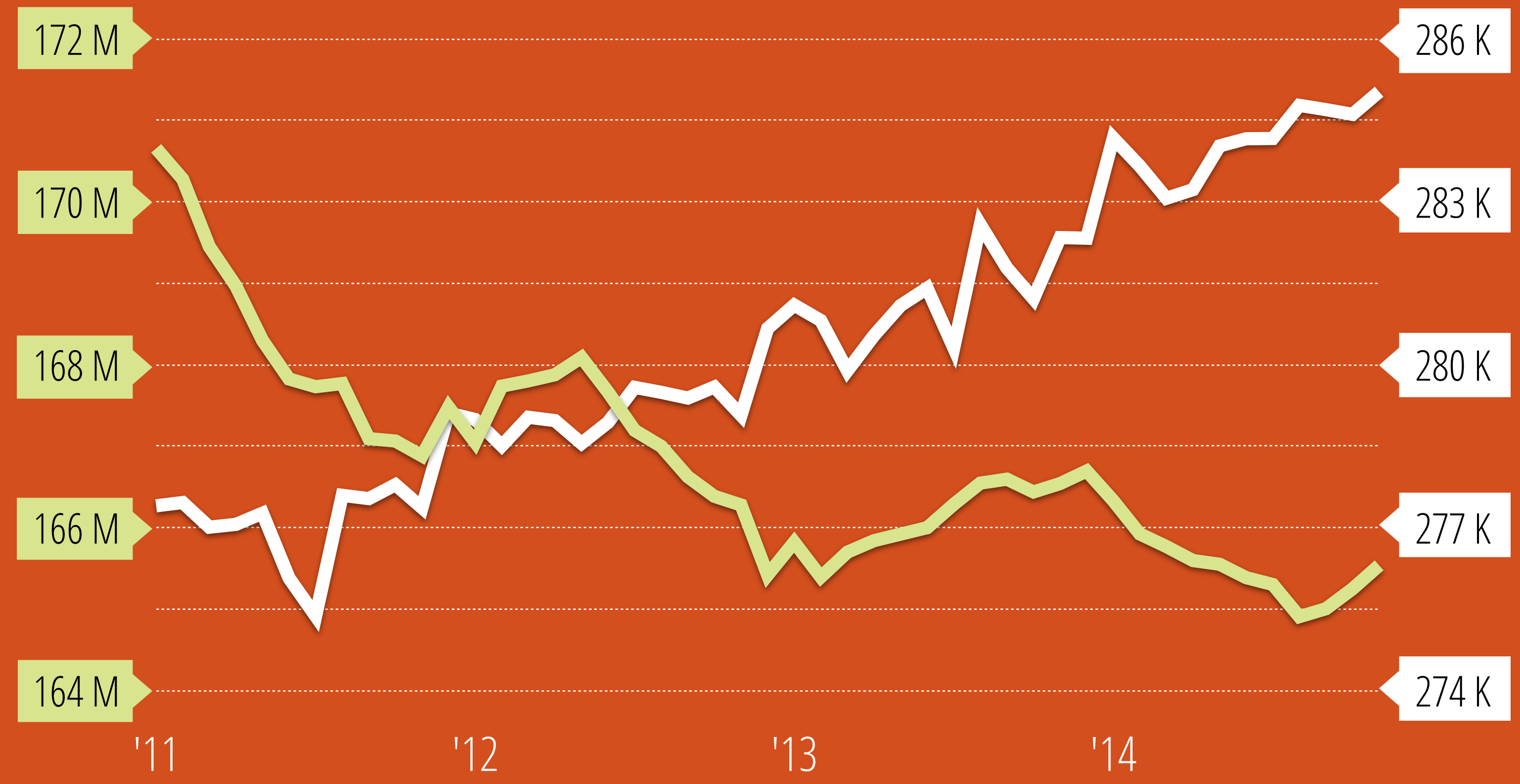
Electric Meter Connections

Domestic Oil Reserves ↑

World Oil Production ↑

Consumption ↓

Driving Habits Changing ↓



Source: TIME Magazine; UNLV Center for Business and Economic Research; NV Energy

# Housing Market



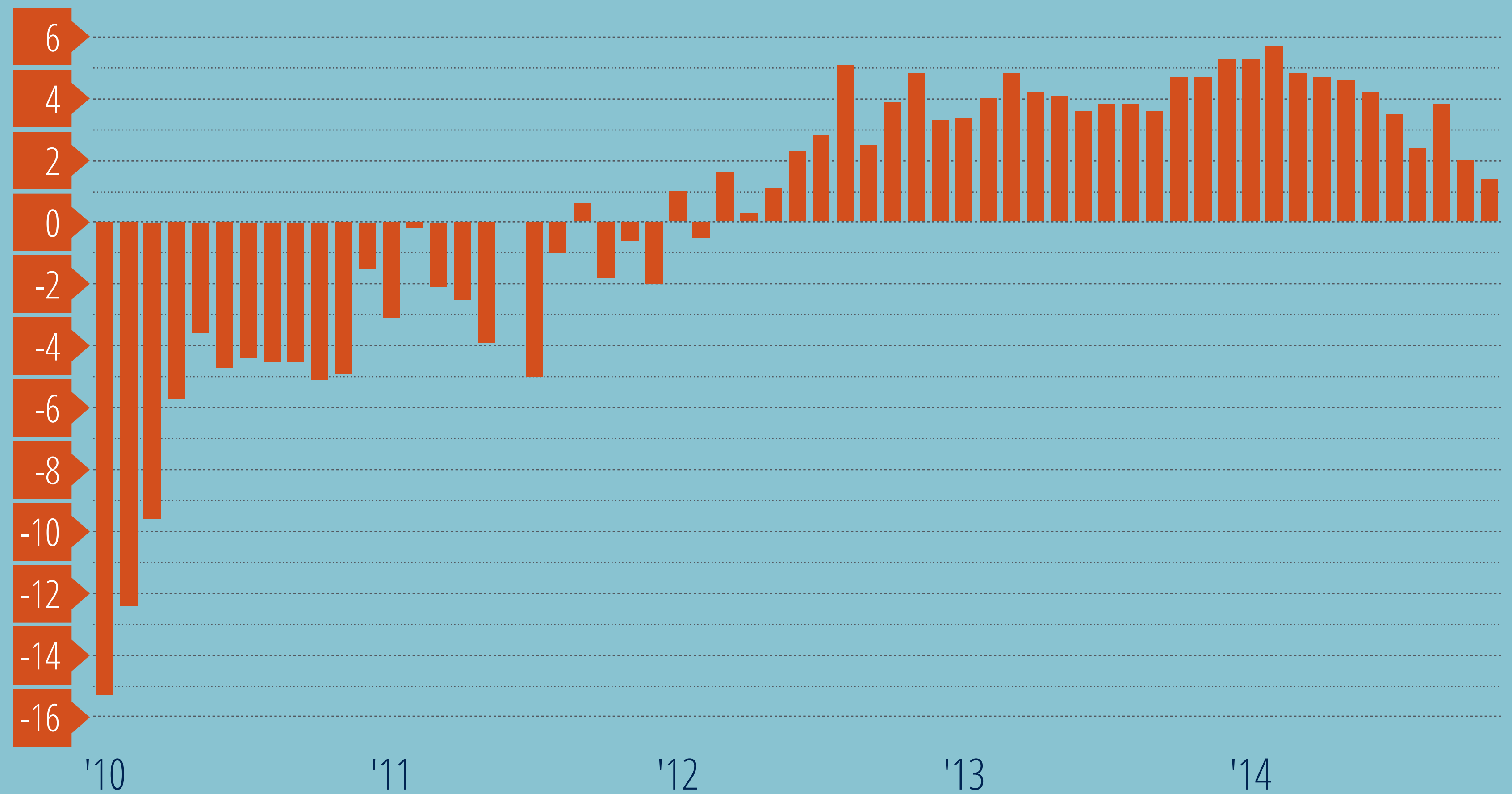
Total housing units permitted

Northern Nevada

2,069

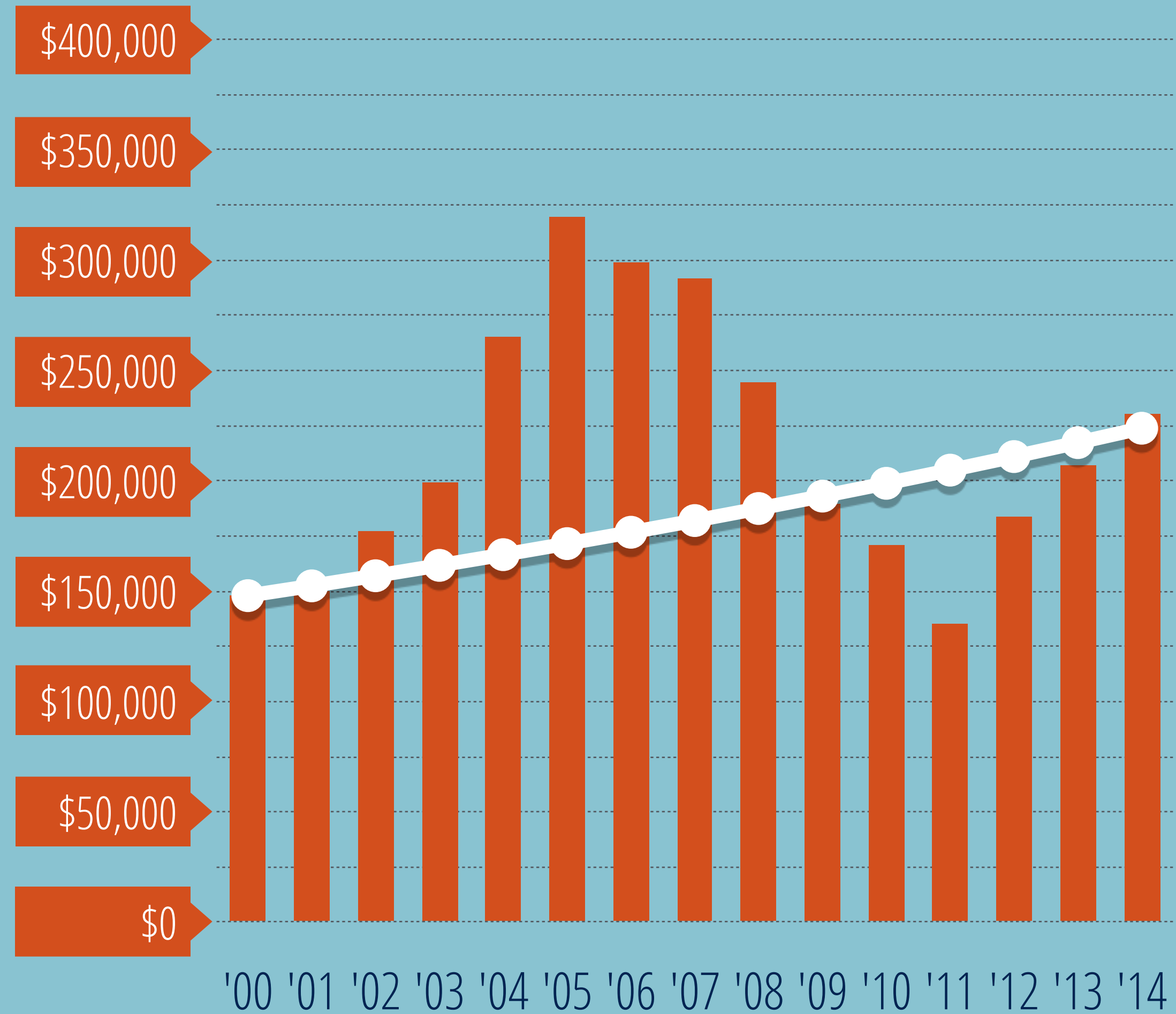
Last 12 months  
up 23.9% Y-O-Y

Employment growth to housing units permitted

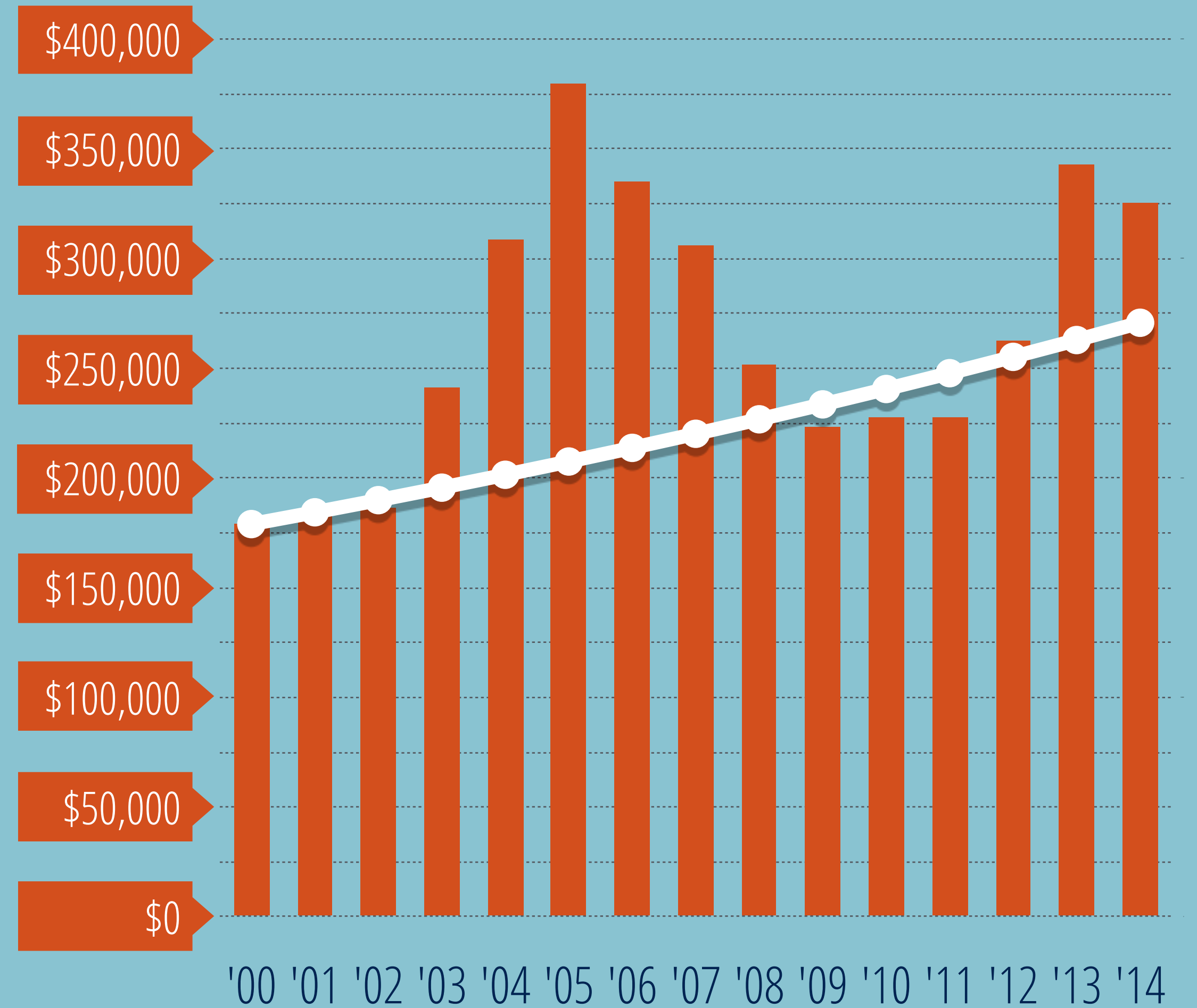


# What if home prices increased 3% every year?

## Existing Homes



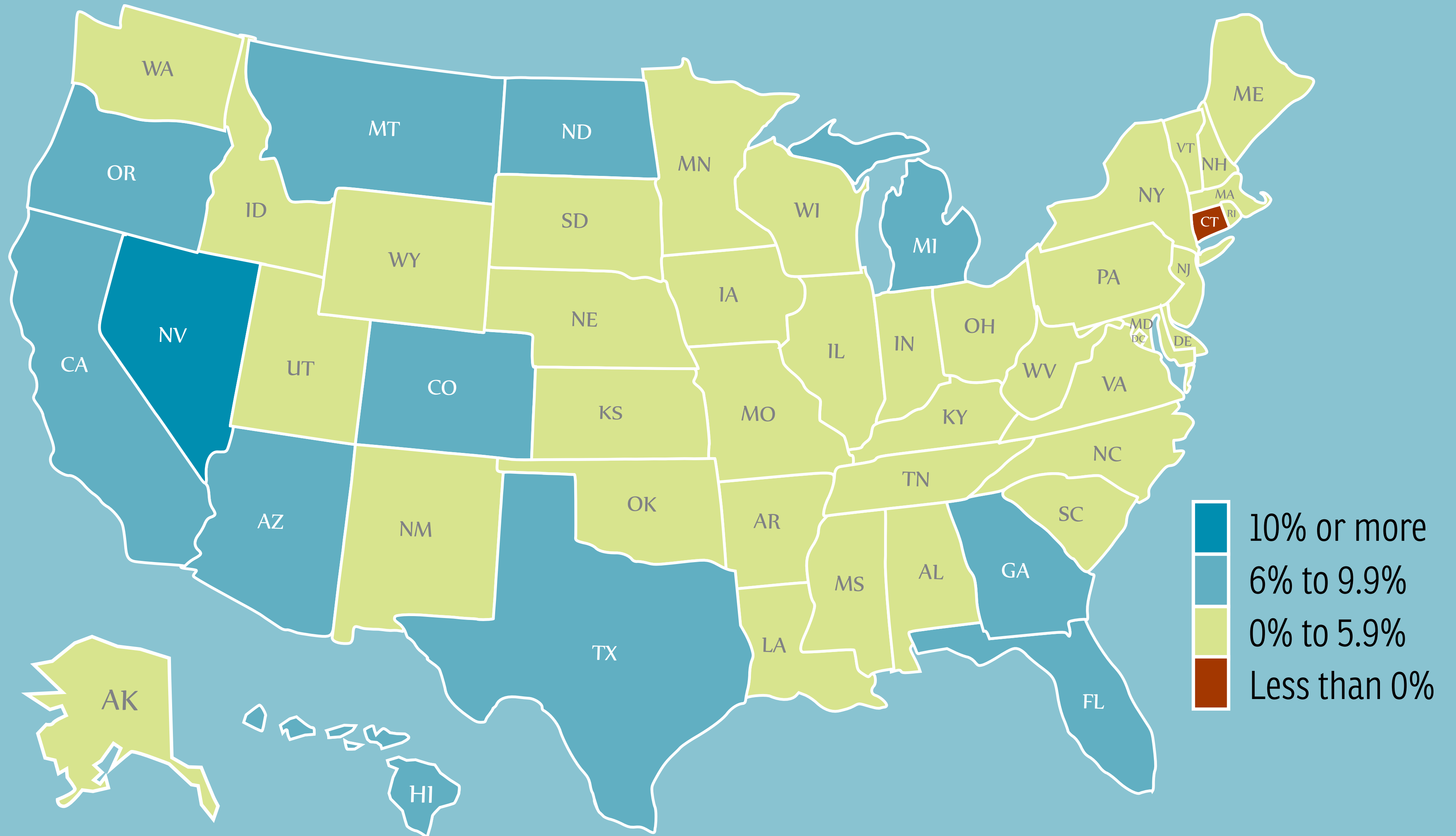
## New Homes



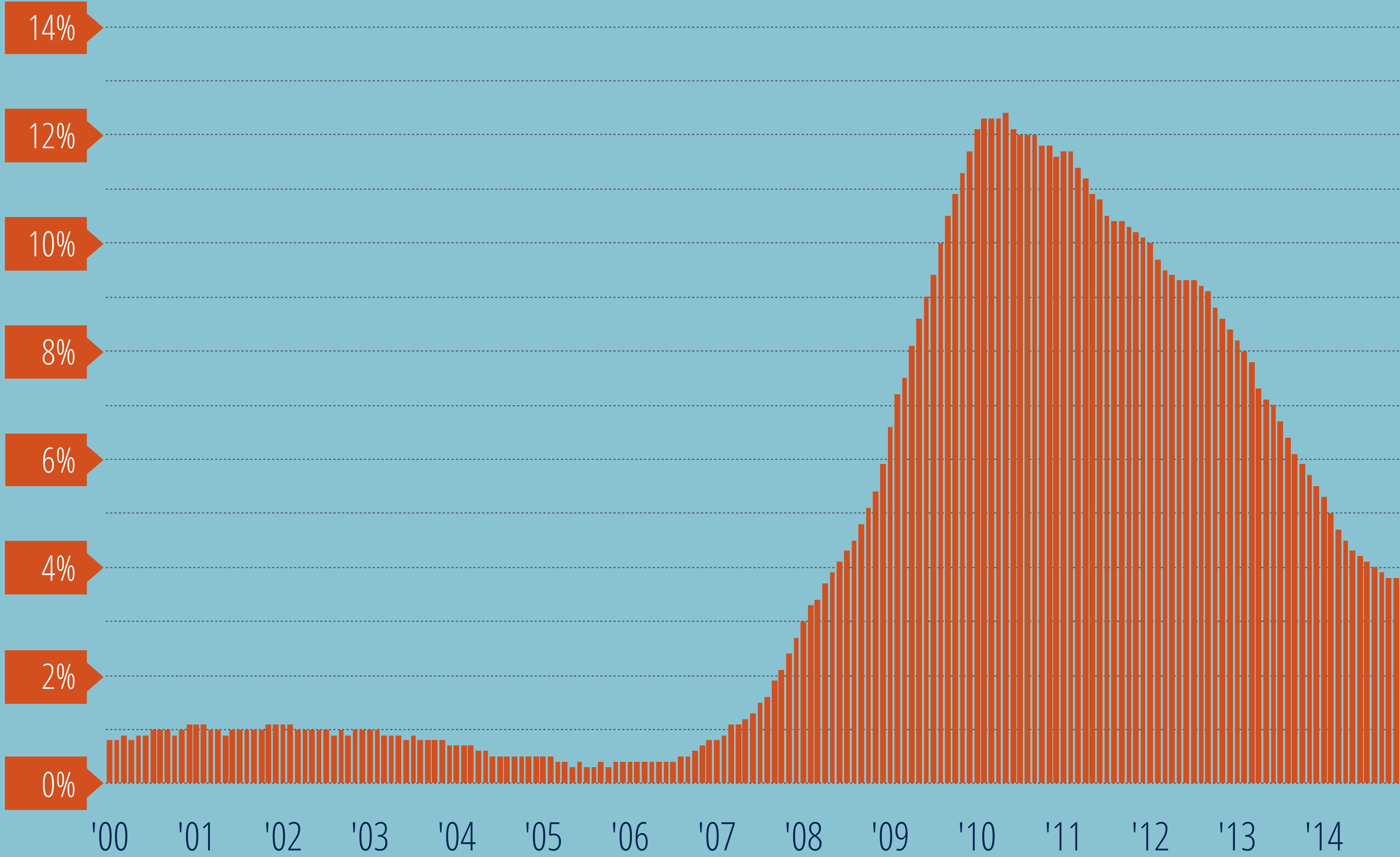
# Housing price appreciation

Q3 2013 to Q3 2014

**10.3%**  
#1 in the nation



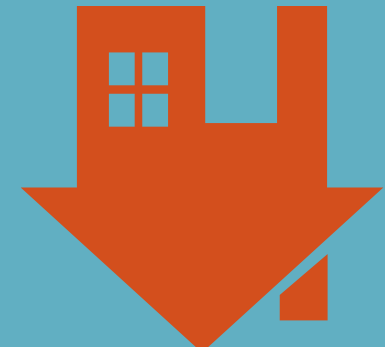
# Delinquency rate



**-8.6 pts.**

Peak to present

**Negative Equity**



Sep. 2014

**17.0%**

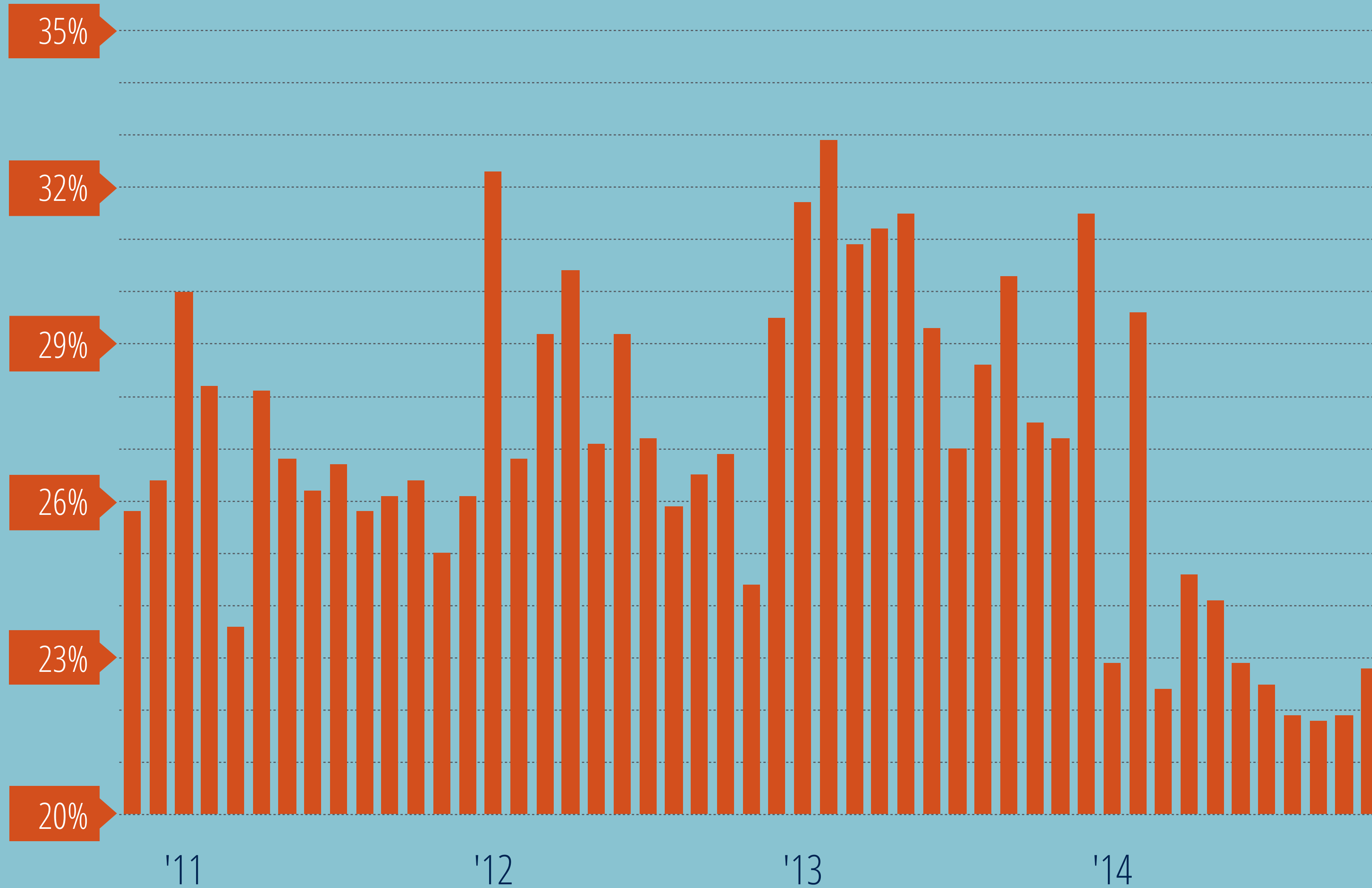
Sep. 2013

**24.0%**

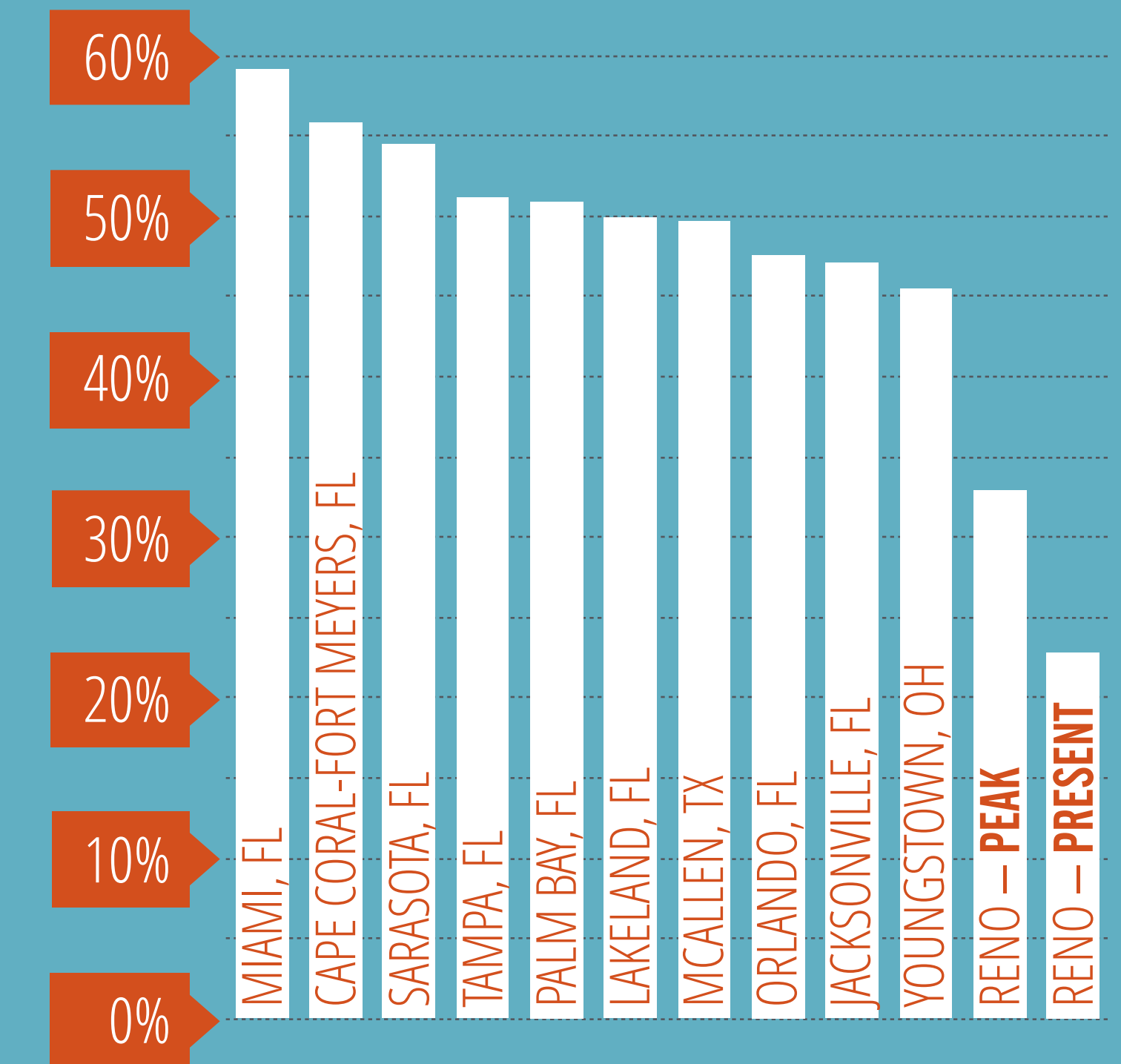
Source: CoreLogic



# Cash share



## Markets with highest Share of cash sales



Reno-Sparks Present

**22.8%**

Peak

**32.9%**



## Household formation

# 1.65 M

Q4 2014 vs. Q4 2013  
Largest increase since 2005

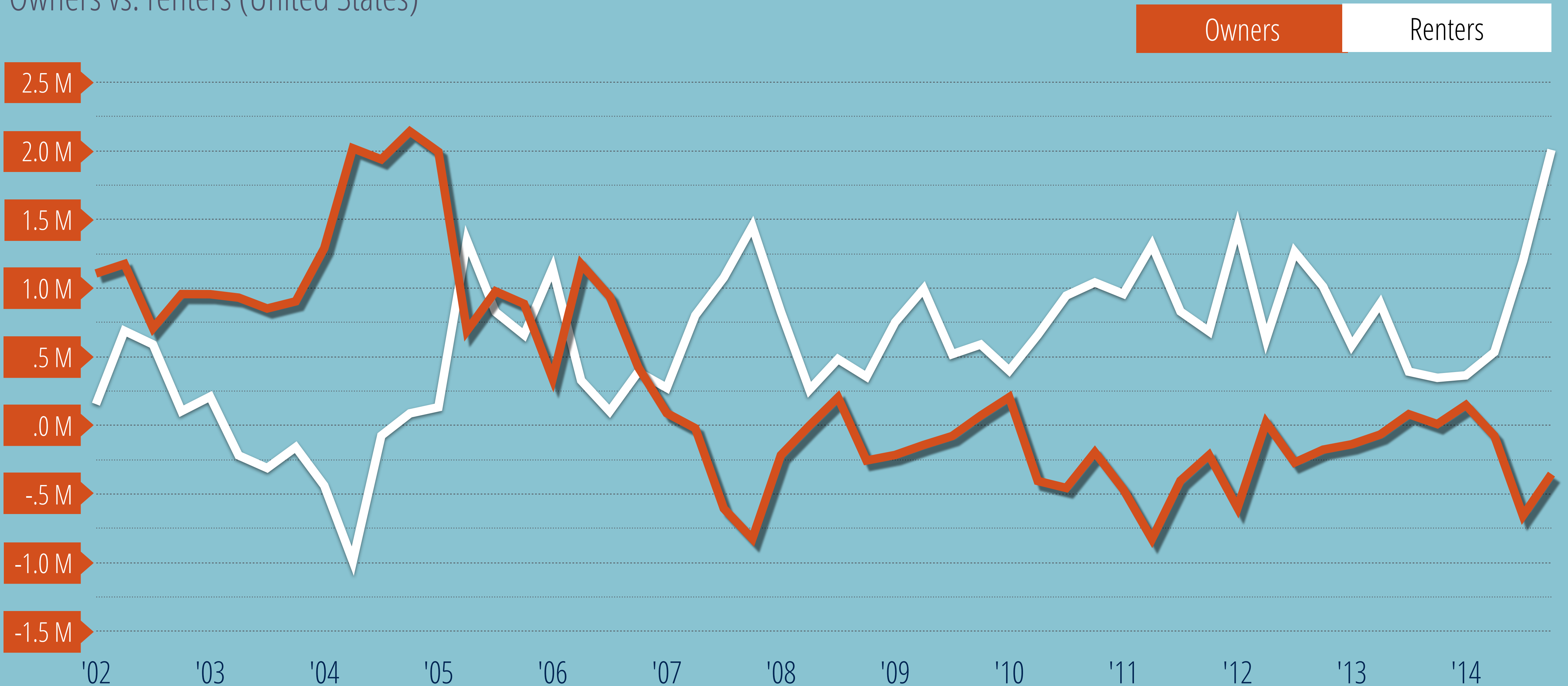


# 36%

of millennials (18-31)  
are living at home

# Housing formation

Owners vs. renters (United States)



Source: United States Census Bureau

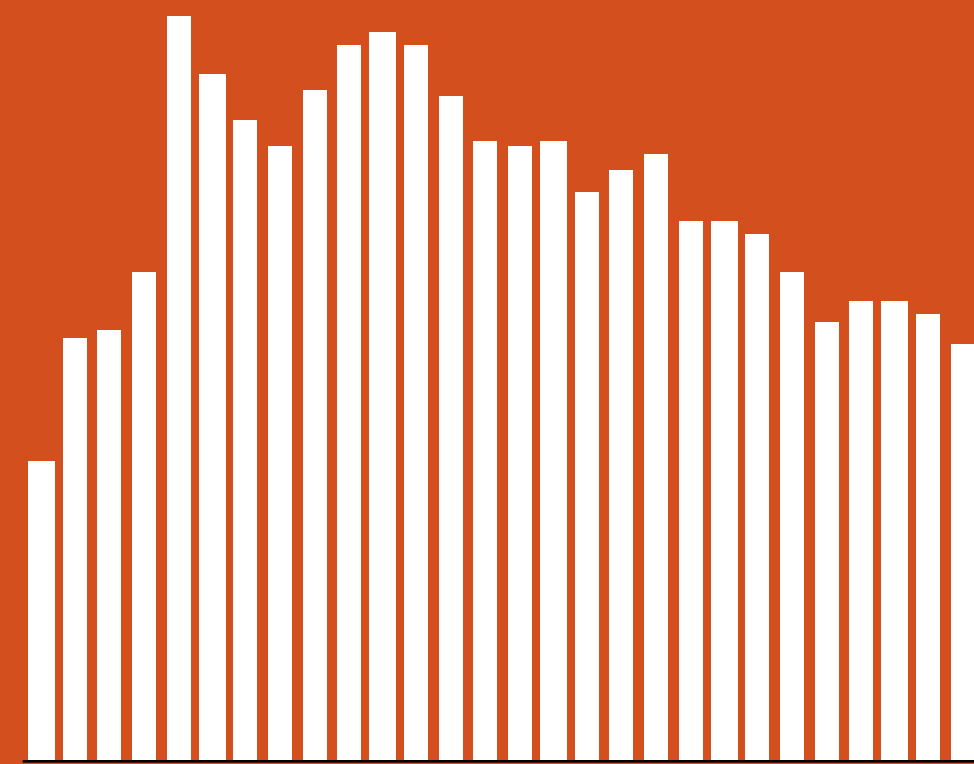
# Commercial & Industrial Markets



Vacancy rates

**13.7%**

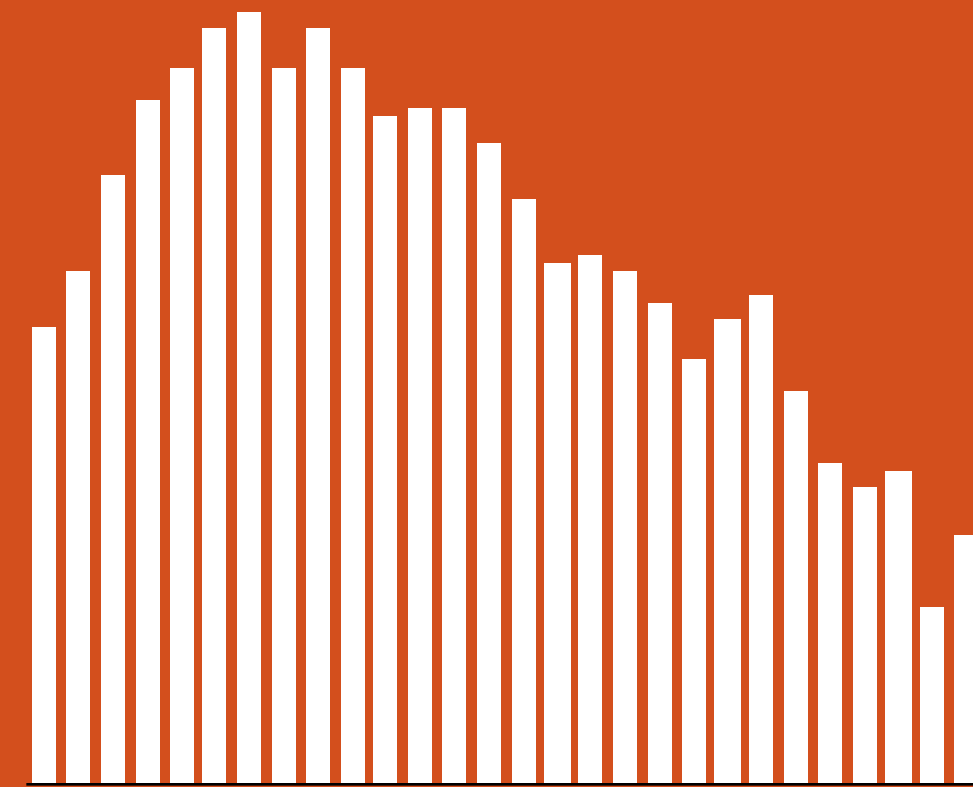
Down 0.3 pts. y-o-y



**OFFICE**

**8.1%**

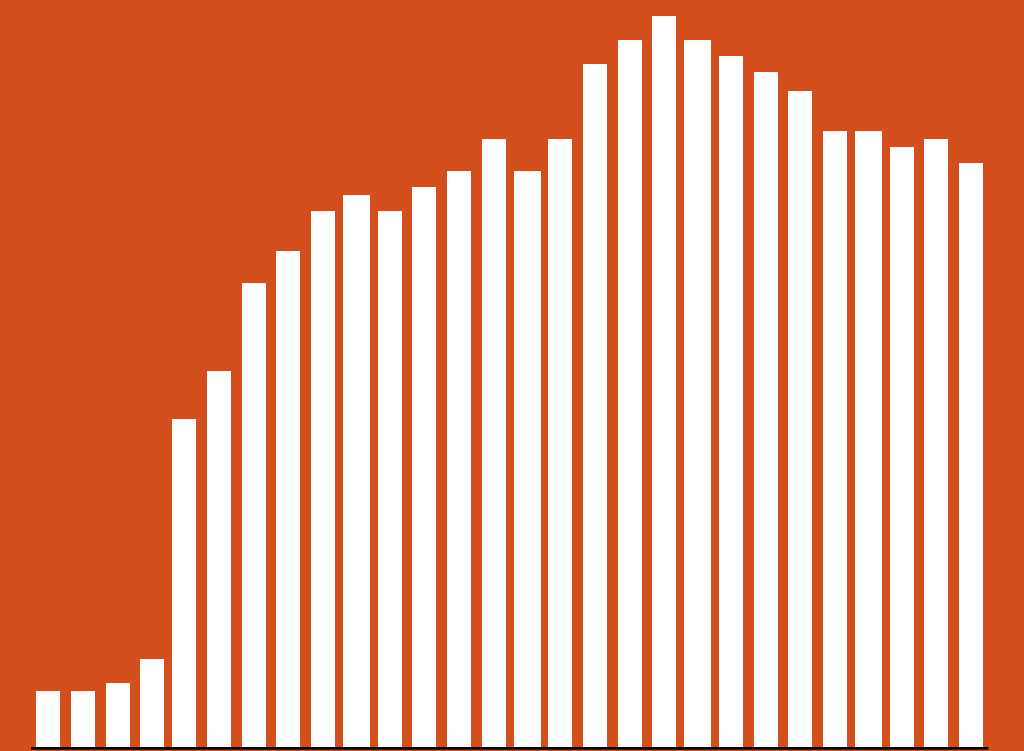
Down 0.9 pts. y-o-y



**INDUSTRIAL**

**12.3%**

Down 0.4 pts. y-o-y



**RETAIL**



# Office Market

# 13.7%

## Vacancy rate

Lowest since Q1 2008

## Major transactions



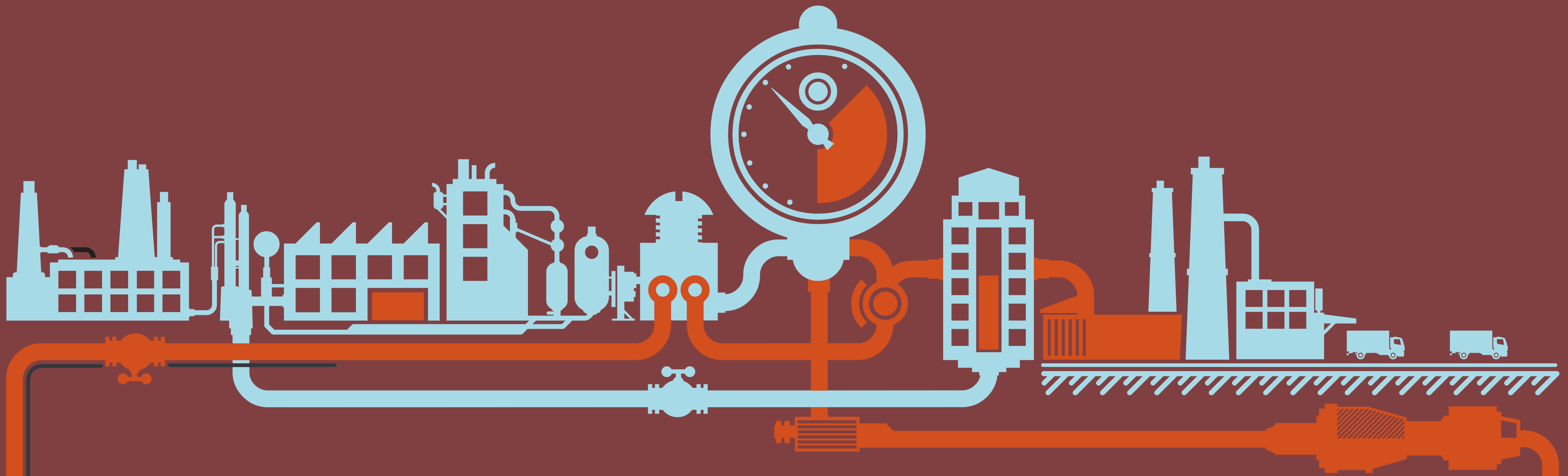
**Clear Capital**<sup>®</sup>

14,000 SF



**greatcall**<sup>®</sup>  
people you can count on<sup>®</sup>

18,300 SF



# Industrial market transactions



**chewy.com**  
where pet lovers shop



**LAWSON**  
Products



**CENNTRO**  
MOTORS

**KRONE**

# Industrial market completions



524,800 SF  
speculative



707,010 SF  
build-to-suit



624,000 SF  
speculative



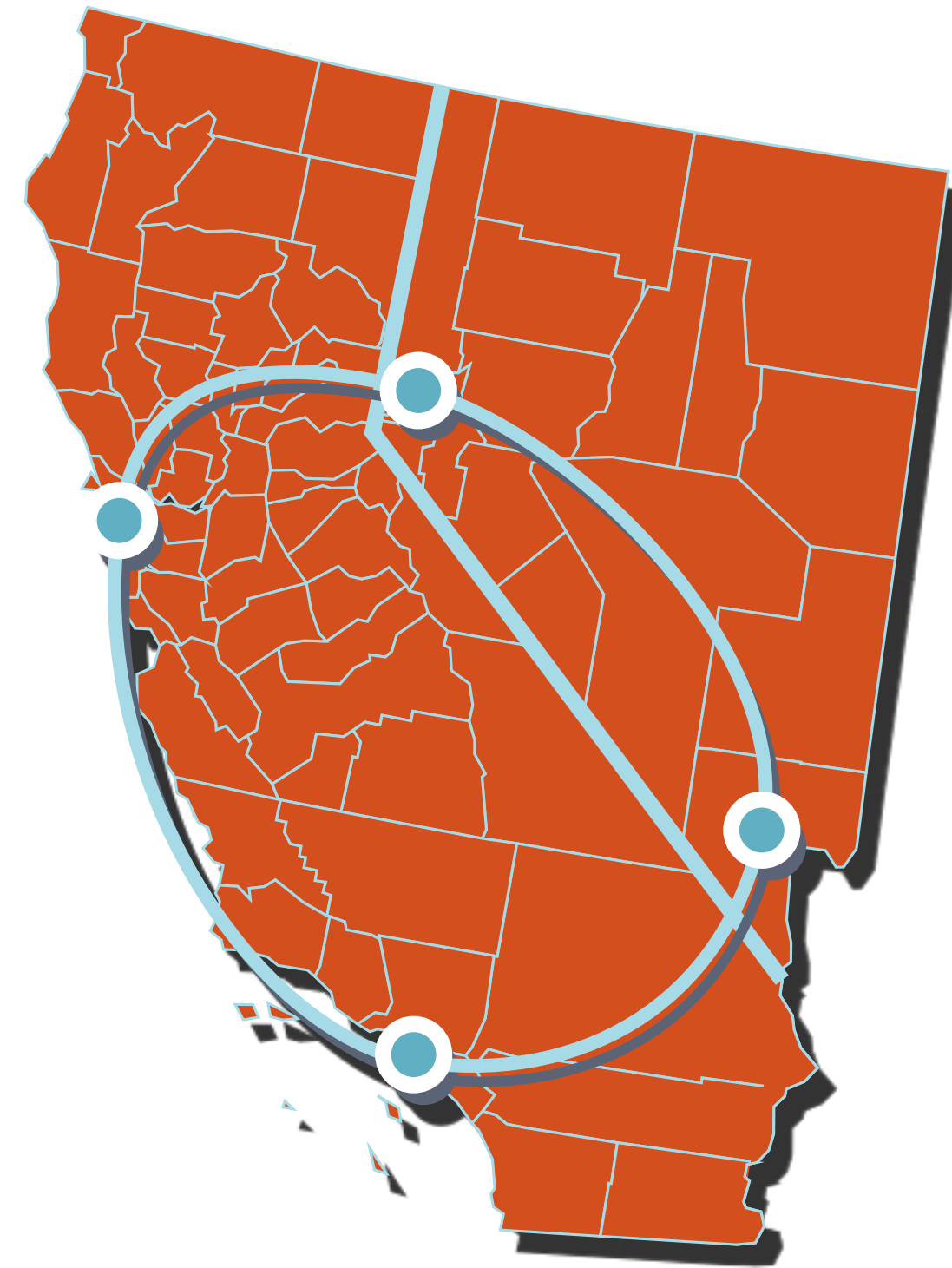
606,000 SF  
build-to-suit

# Industrial market under construction/planned

TESLA

switch

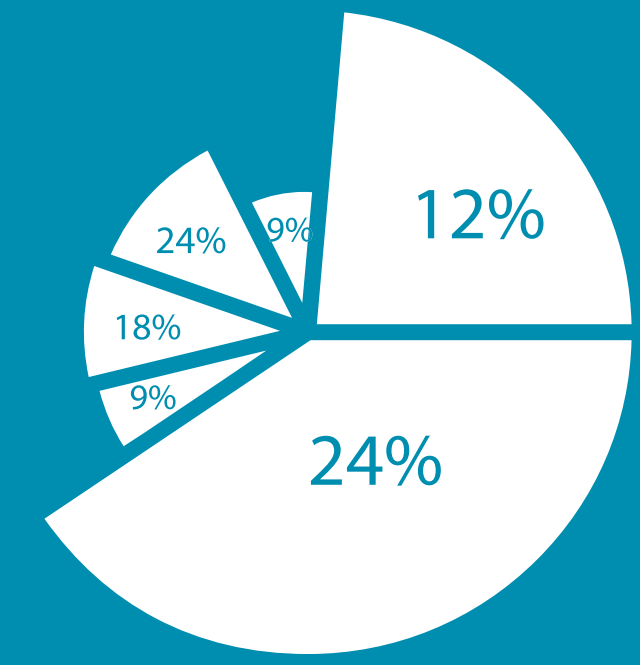
PETCO  
Where the pets go. 



Switch **SUPERLOOP**



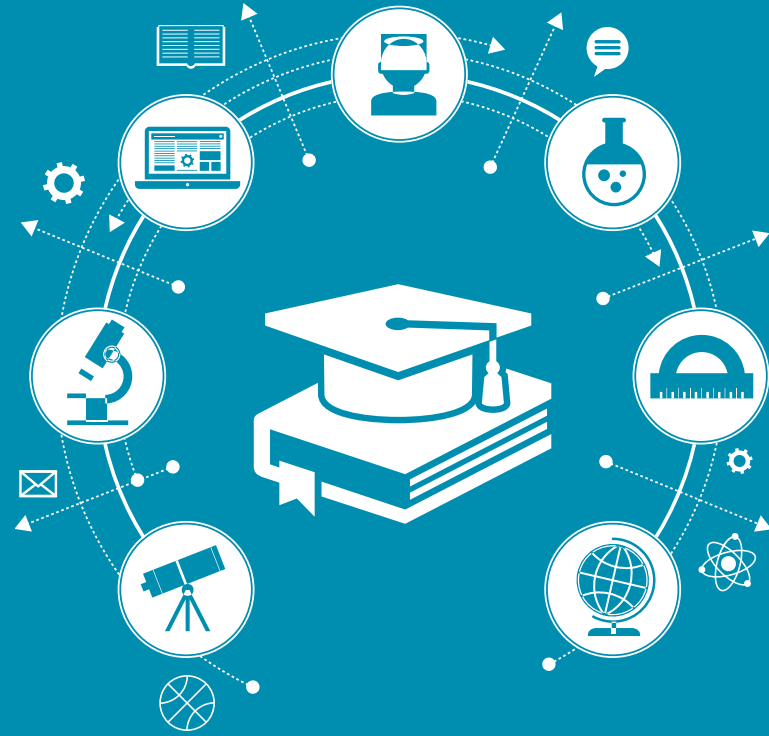
# THREATS & OPPORTUNITIES



Economic Diversification



Connectivity



Education



Industrial Land Availability

Fuel Prices



Downtown Revitalization

Tax Policy



Housing





# The Numbers Tell the Story

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