



# The Numbers Tell the Story



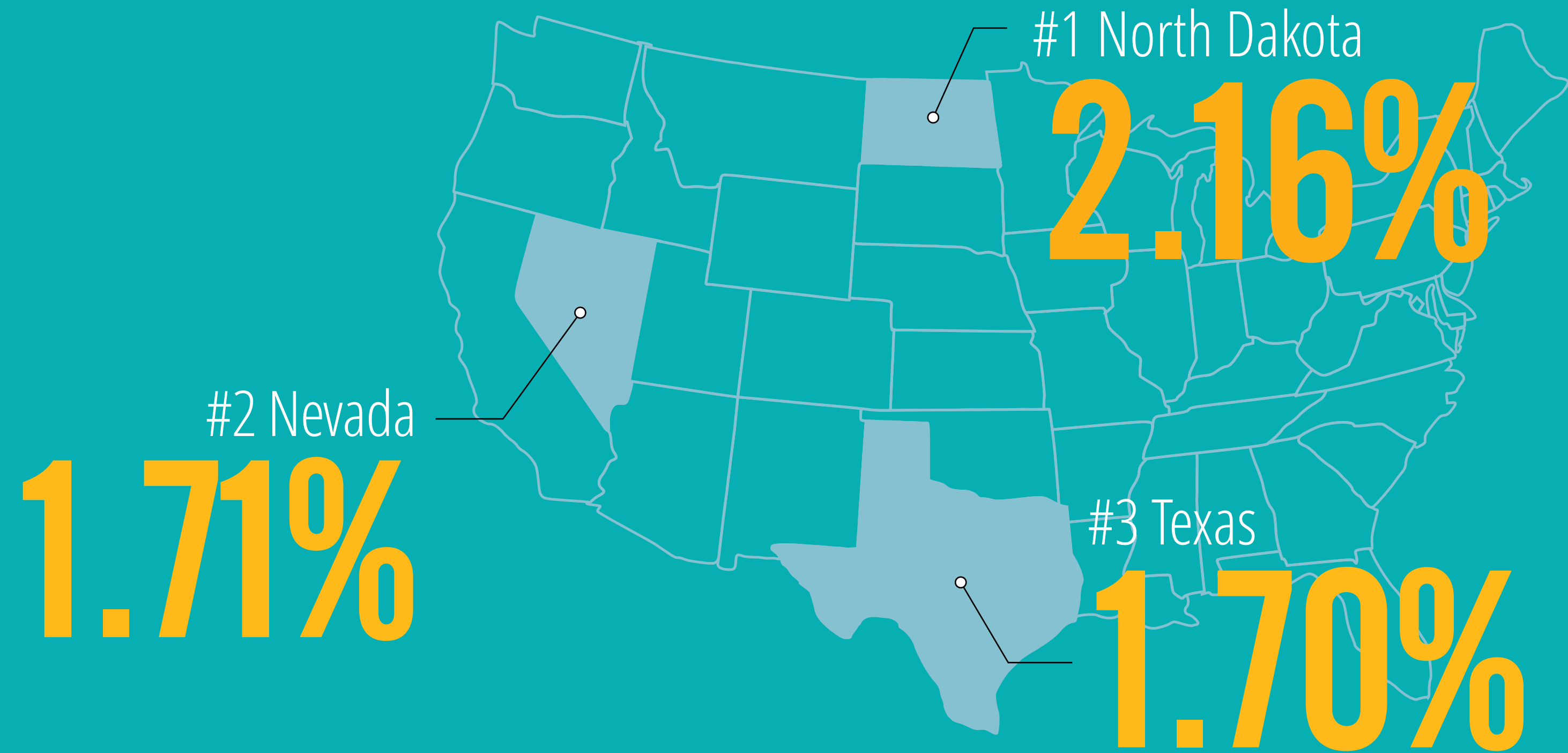
Jeremy Aguero | Preview Las Vegas 2015

Nevada population **2,843,301**

## Population growth

# **2**

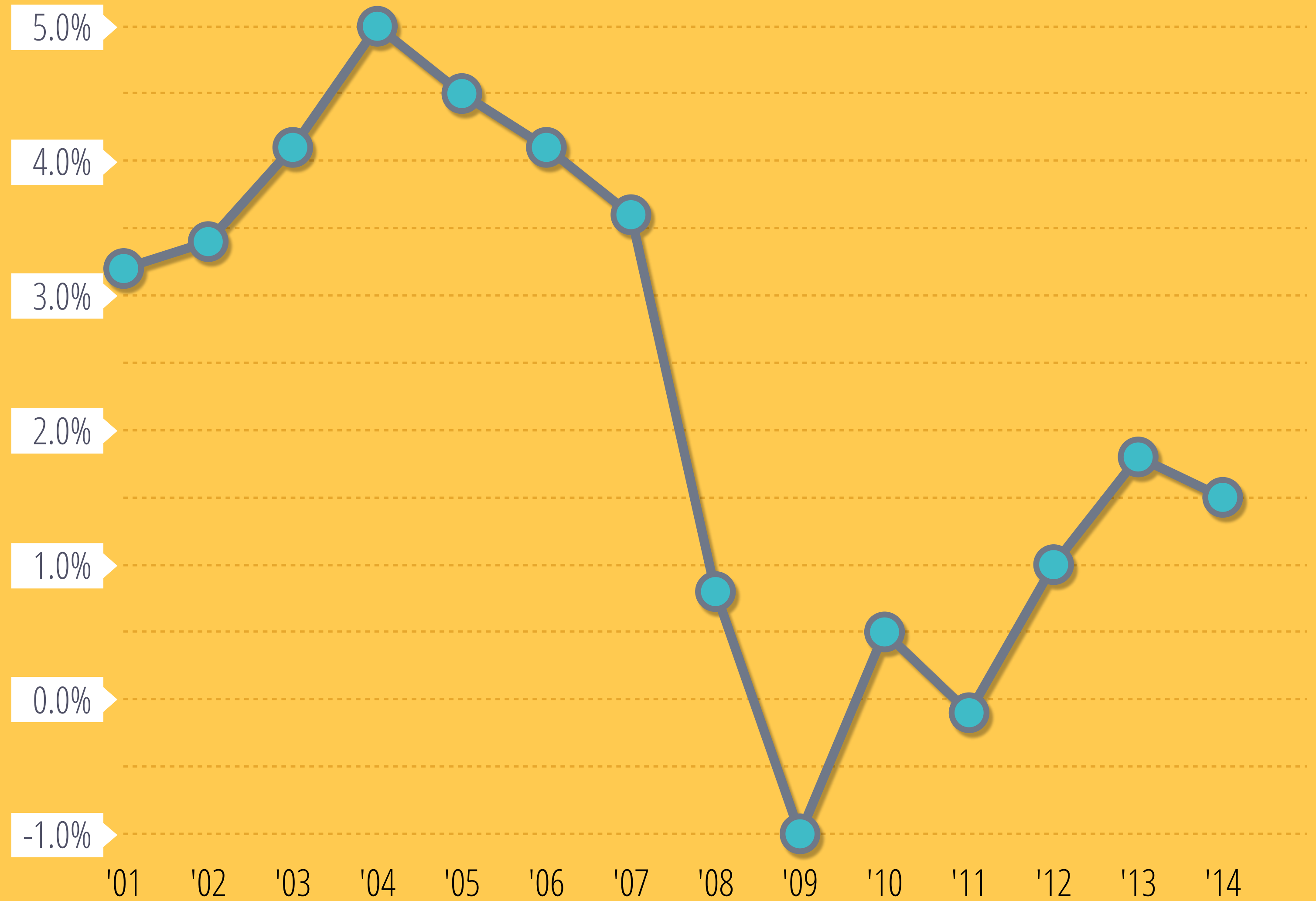
in the nation



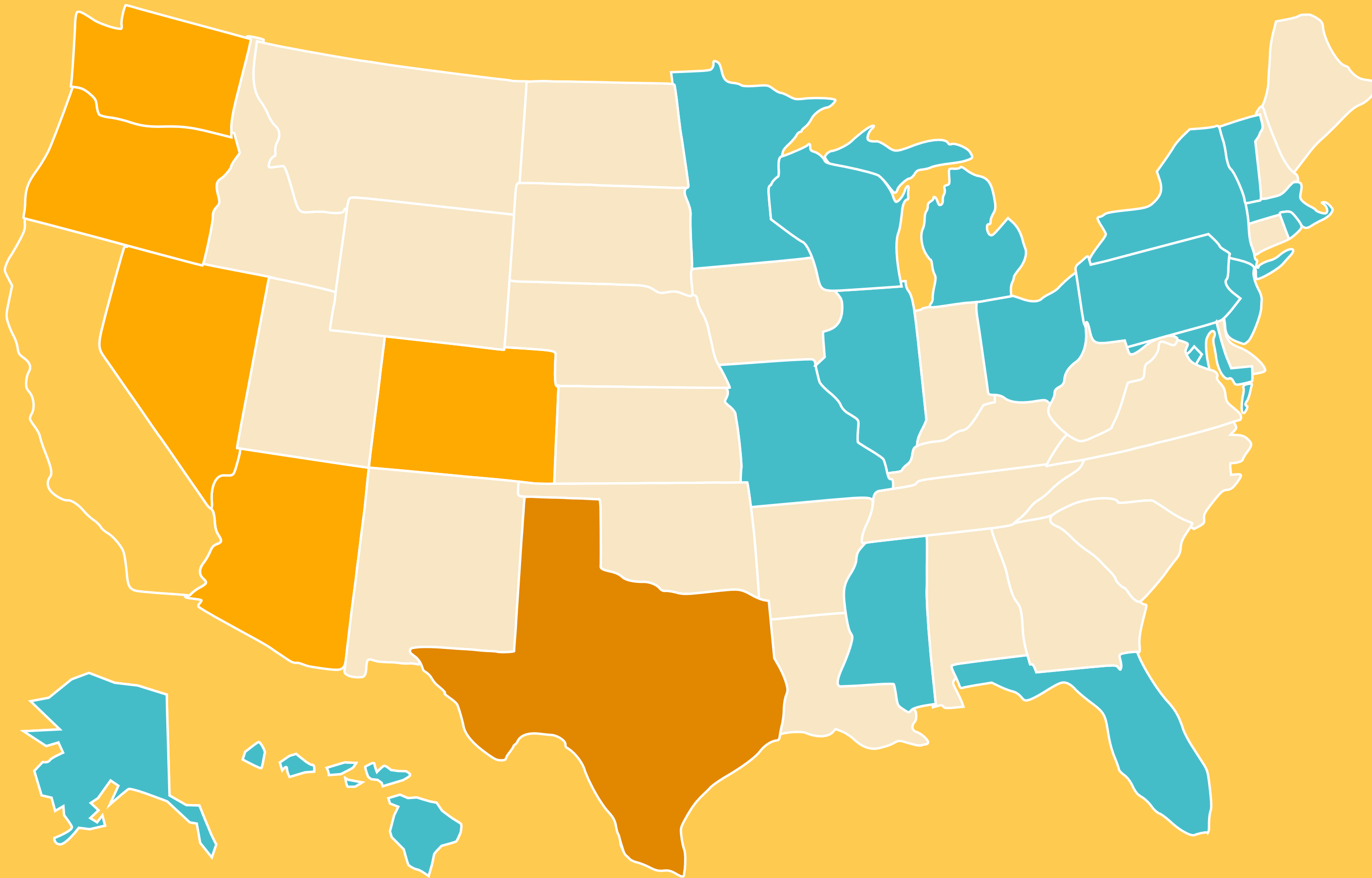
# Growth Rate

Nevada Population

2014 **1.5%**



# 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

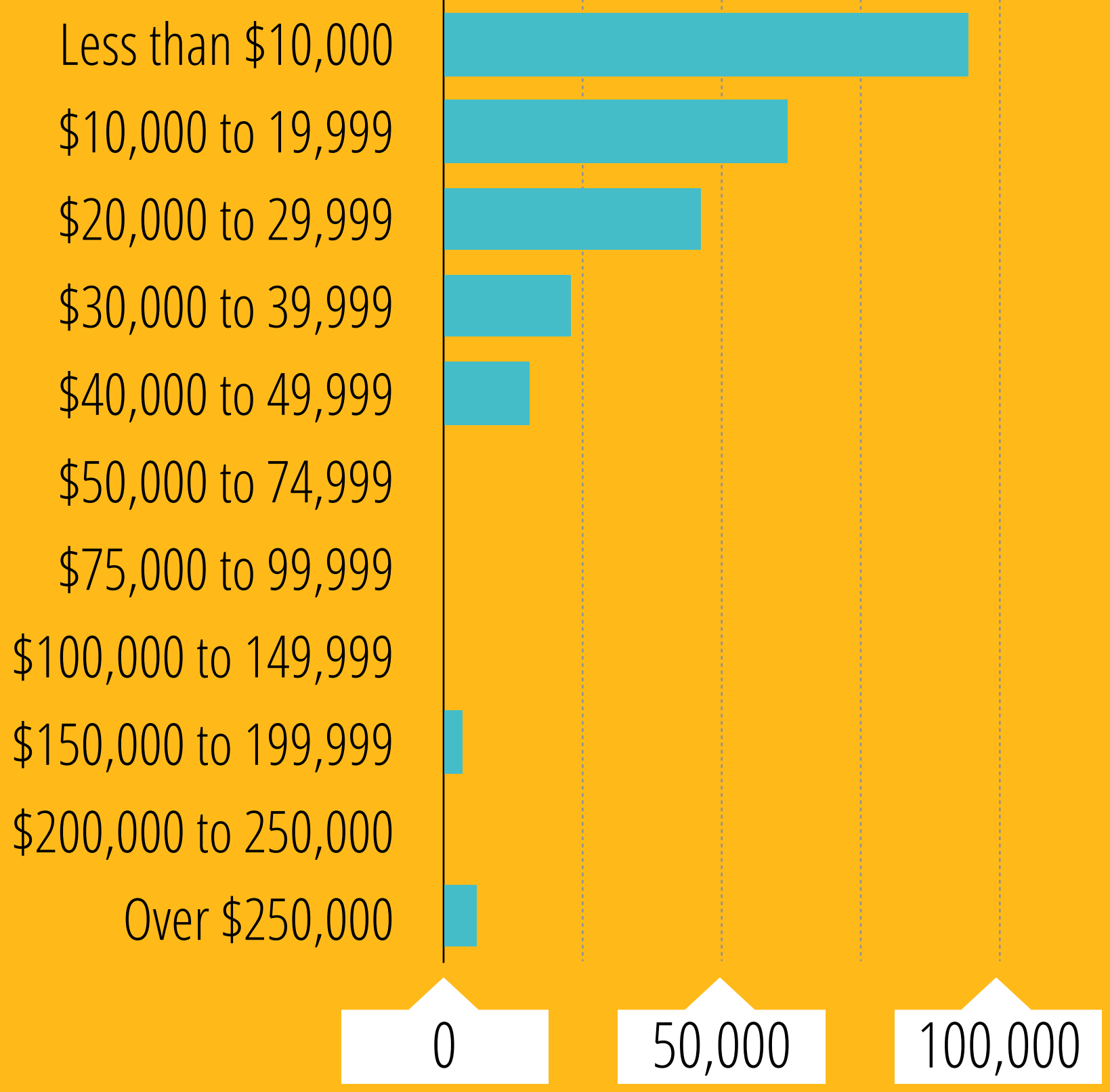
## Migration into Nevada

Top 3 states (2011-2013)

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

## Migration from California

By income



# Cost of living

2014 Annual Average

	Las Vegas	Phoenix	Los Angeles	Salt Lake City
Composite Index	105.5	96.5	132.5	94.2
Grocery Items	109.4	99.4	105.6	96.4
Housing	106.4	94.2	201.6	91.7
Utilities	91.3	97.8	111.7	91.3
Transportation	104.8	101.1	112.3	100.2
Health Care	102.7	100.9	111.7	95.3
Misc. Goods & Services	108.2	94.4	106.0	93.7

## Moving from Los Angeles-Long Beach to Las Vegas

Groceries will cost:

**3.6% more**



Housing will cost:

**47.2% less**



Utilities will cost:

**18.3% less**



Transportation will cost:

**6.7% less**



Health Care will cost:

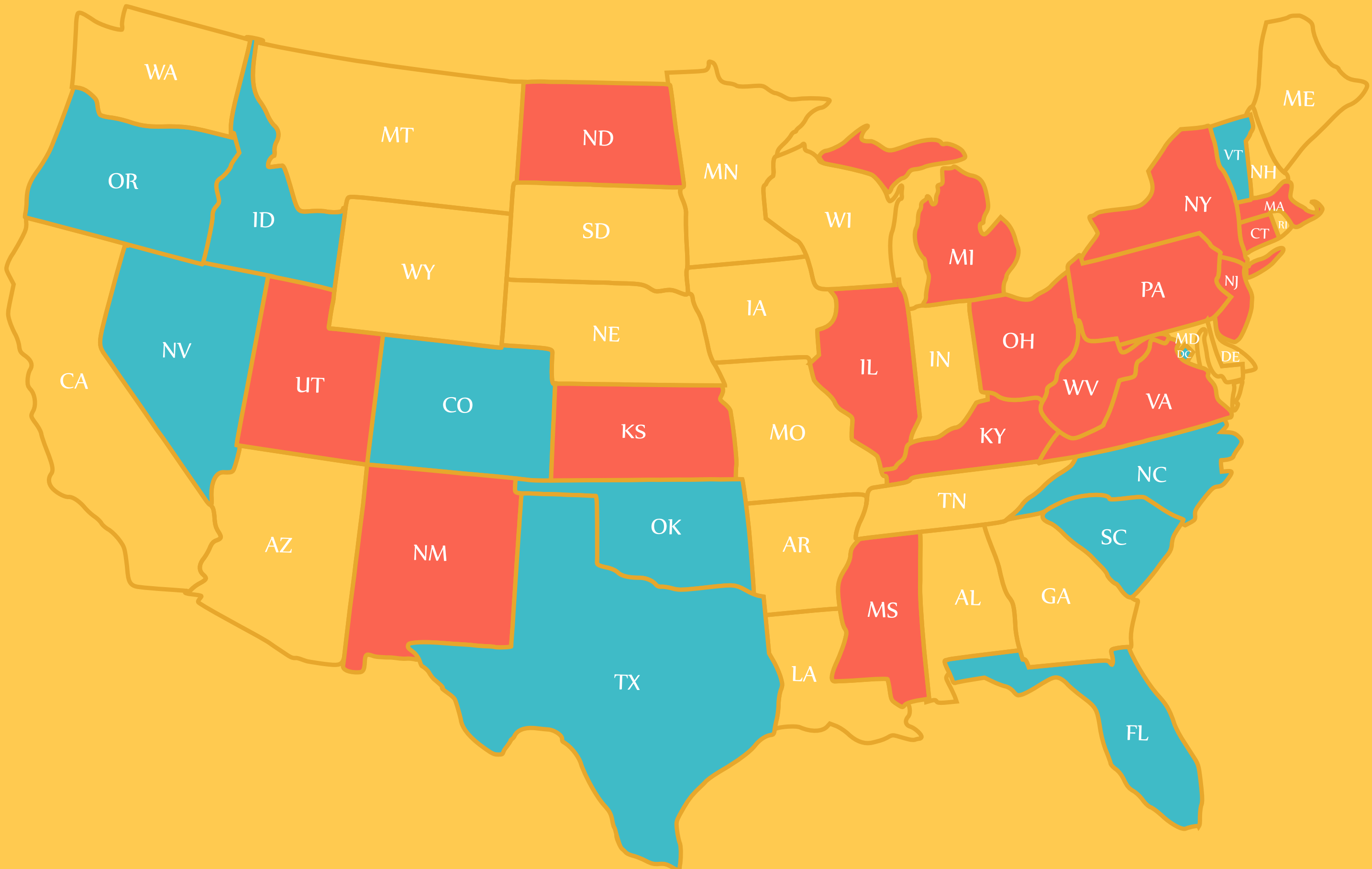
**8.1% less**



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

United Van Lines 2014 National Movers Study

High inbound High outbound

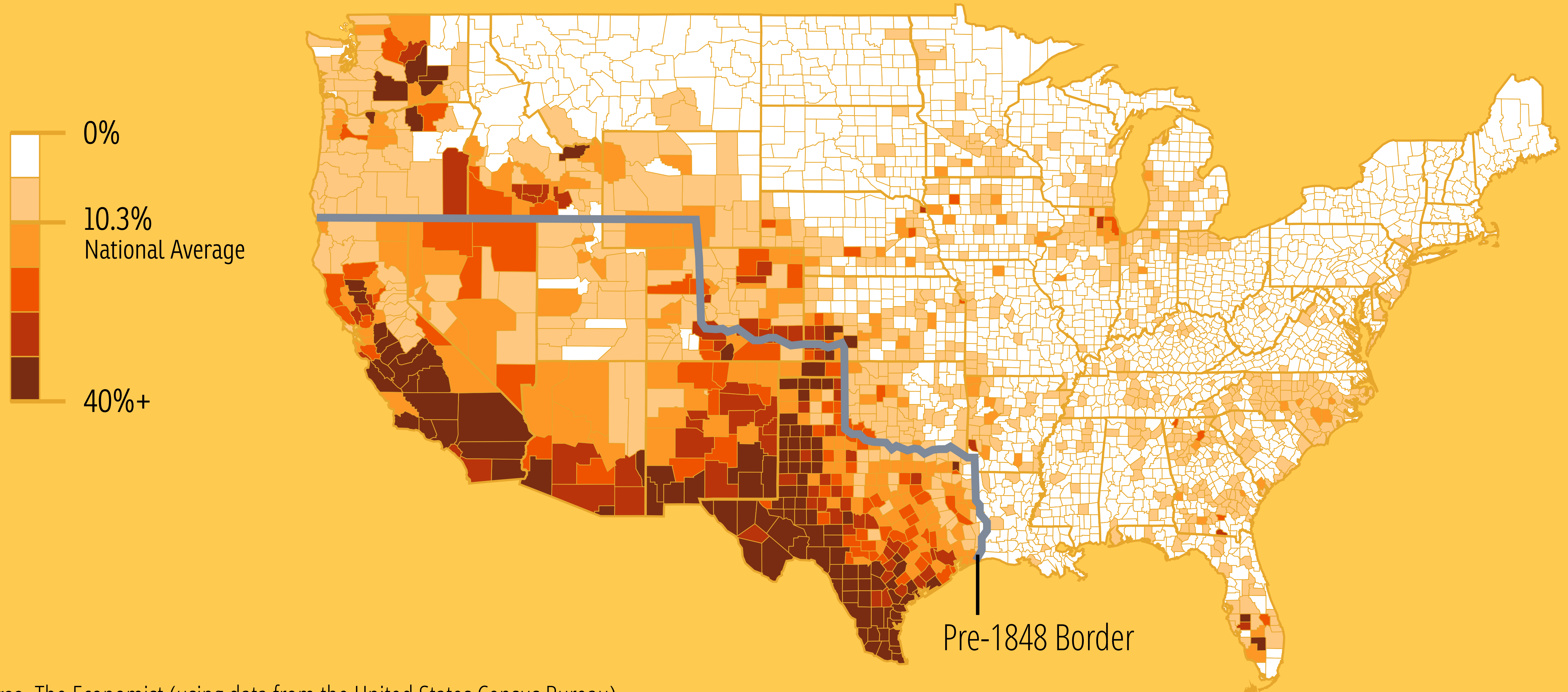


Moved to Nevada to retire	34.4%
Moved to Nevada for a new job	24.6%
Moved to Nevada for a company transfer	20.1%

Source: United Van Lines; Las Vegas Review-Journal

# Mexican origin

Percentage by county



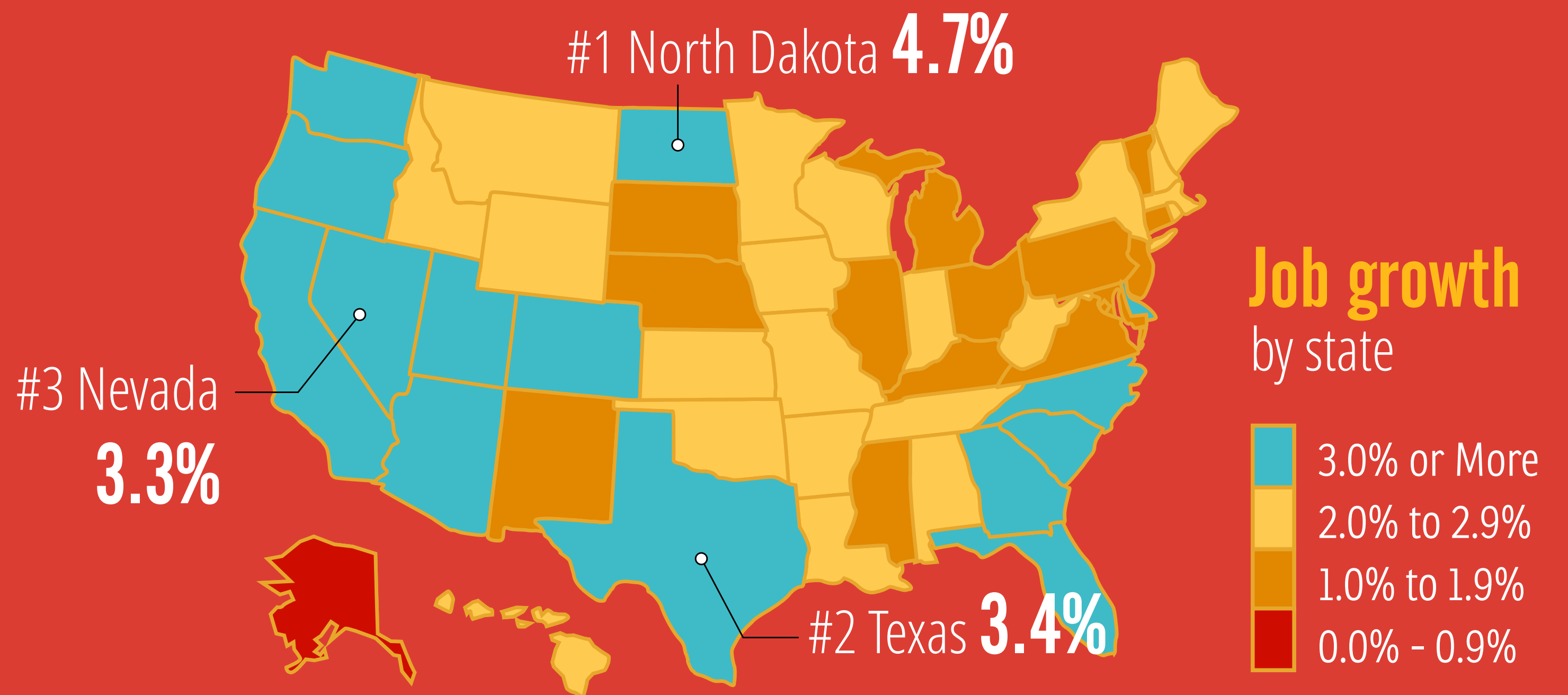
Source: The Economist (using data from the United States Census Bureau)

# Employment



**25,592**

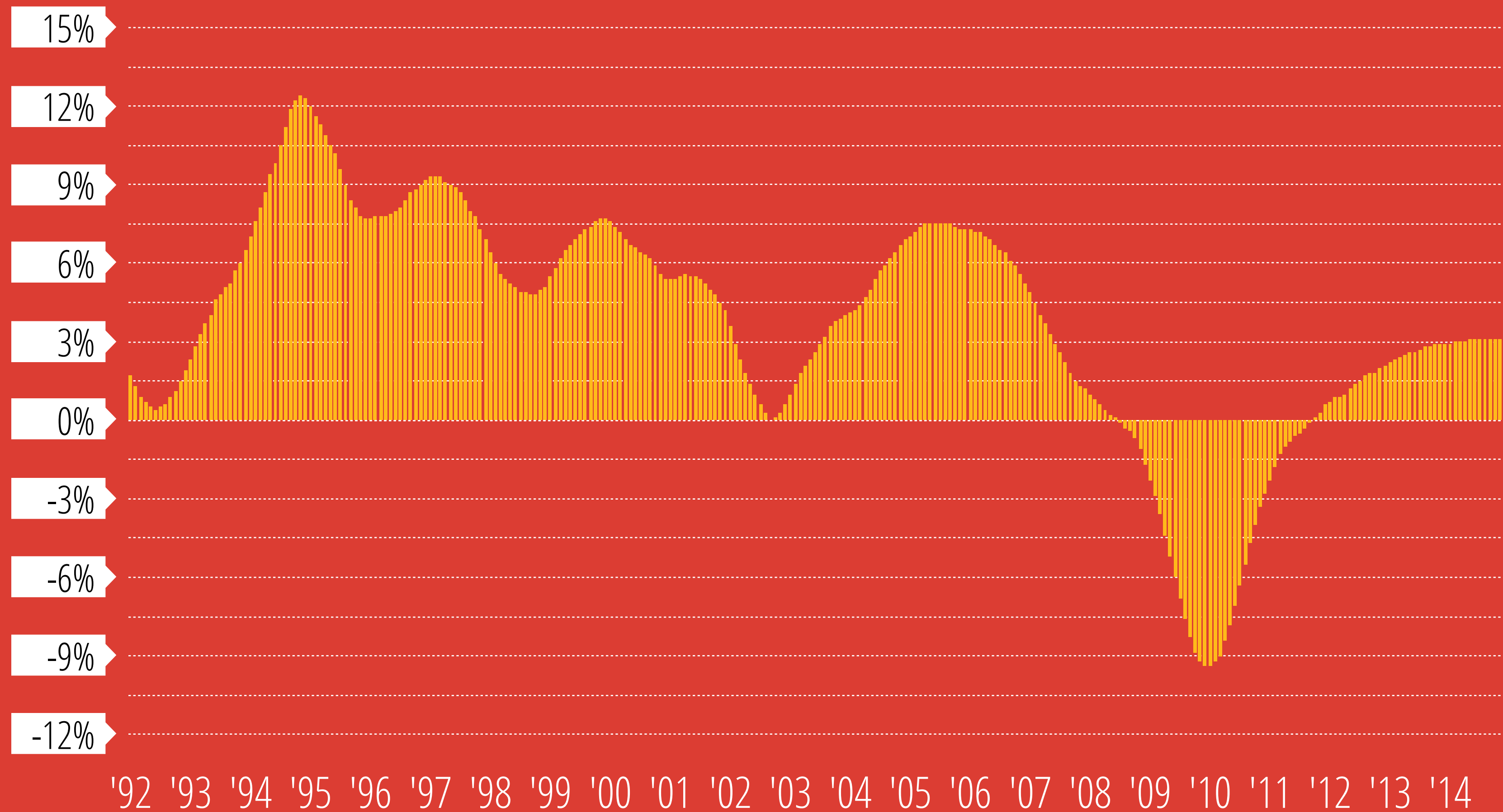
jobs were created in southern Nevada from 2013-2014





# Employment growth

in southern Nevada



## Top Sectors

Job creation from 2013-2014



**6,583**

Trade, Transp. & Utilities



**5,975**

Prof. & Business Svcs.



**4,250**

Education & Health Svcs.



**4,150**

Leisure & Hospitality



**1,825**

Construction

81

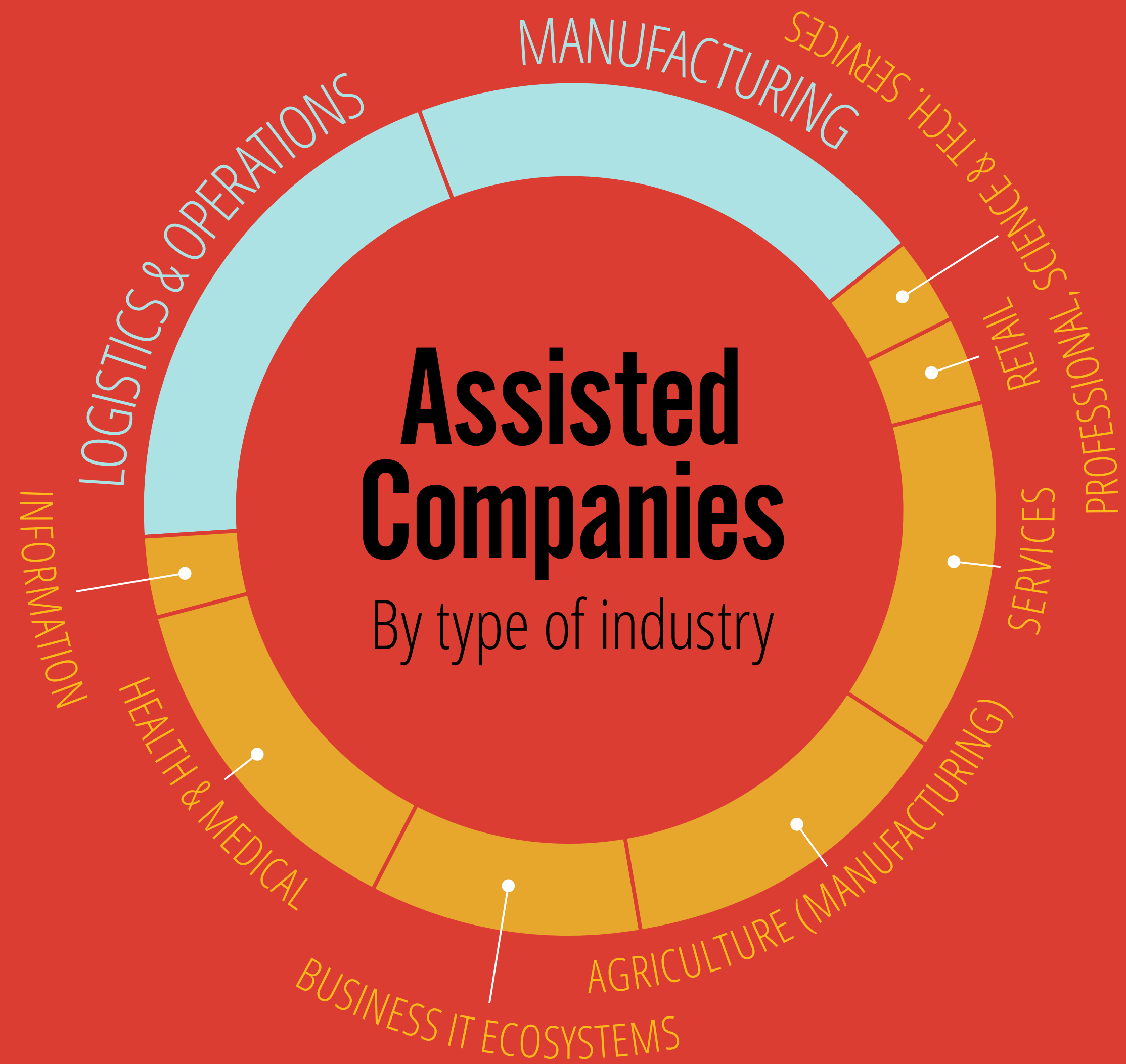
Assisted companies in 2014

30

of those are located in Clark County

19

are new companies



Source: Nevada Governor's Office of Economic Development





**\$1 Billion**

expansion of  
southern Nevada operations

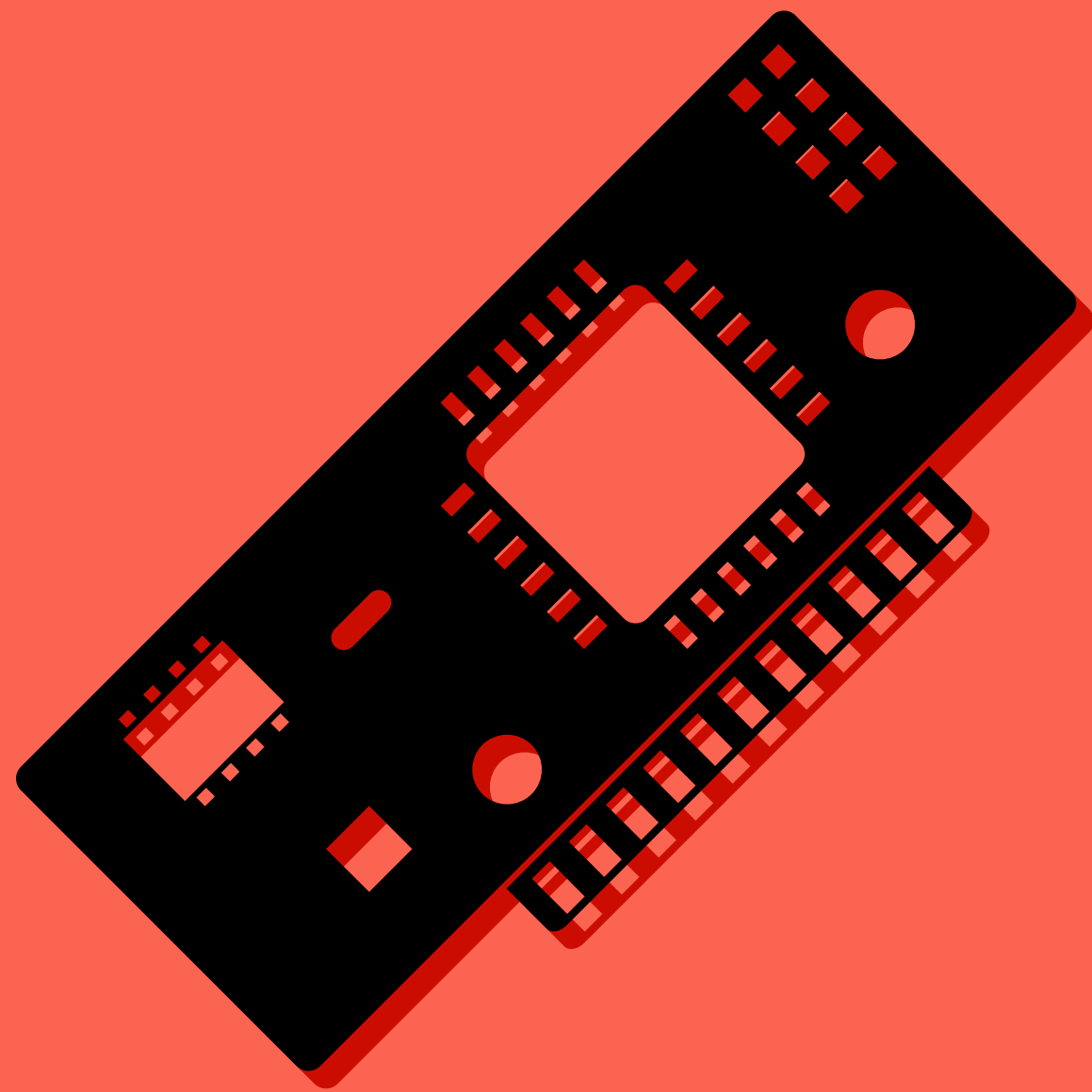
**500 mile SUPERLOOP**

of fiber optic cable to connect Reno, Las Vegas, Los Angeles and San Francisco

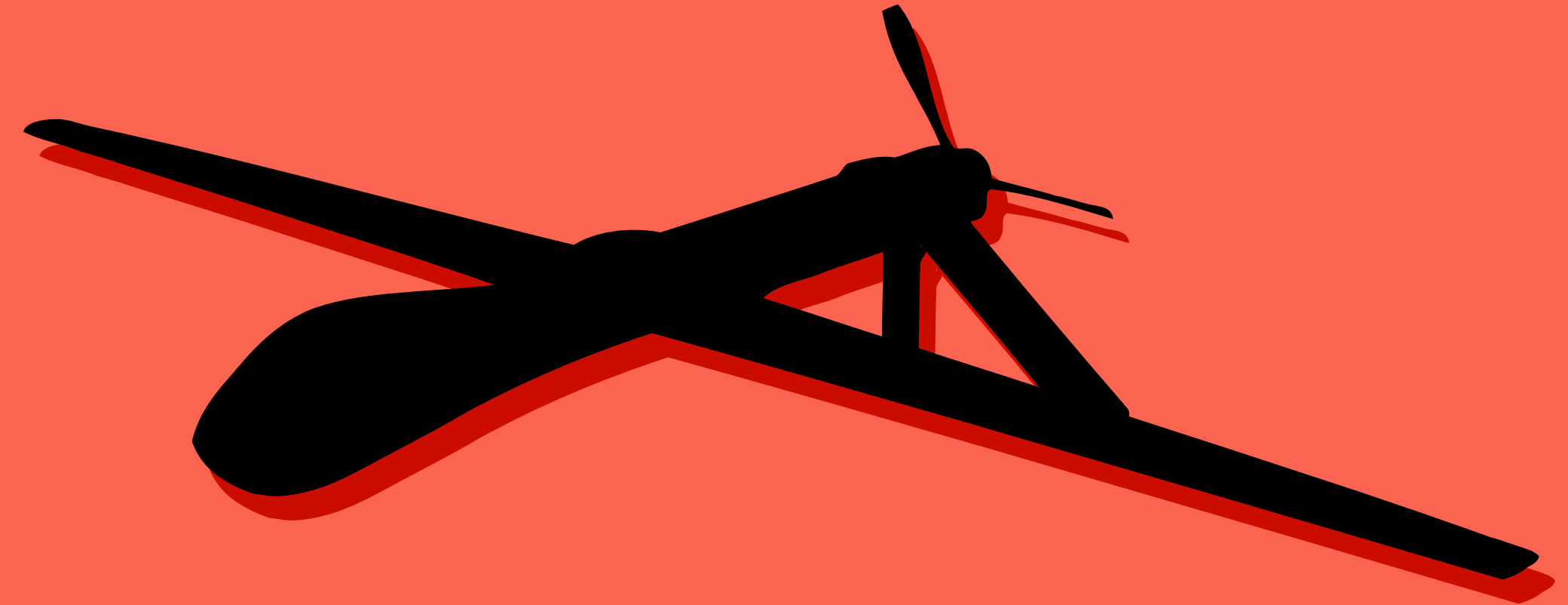


# UNLV - University of Nevada, Las Vegas

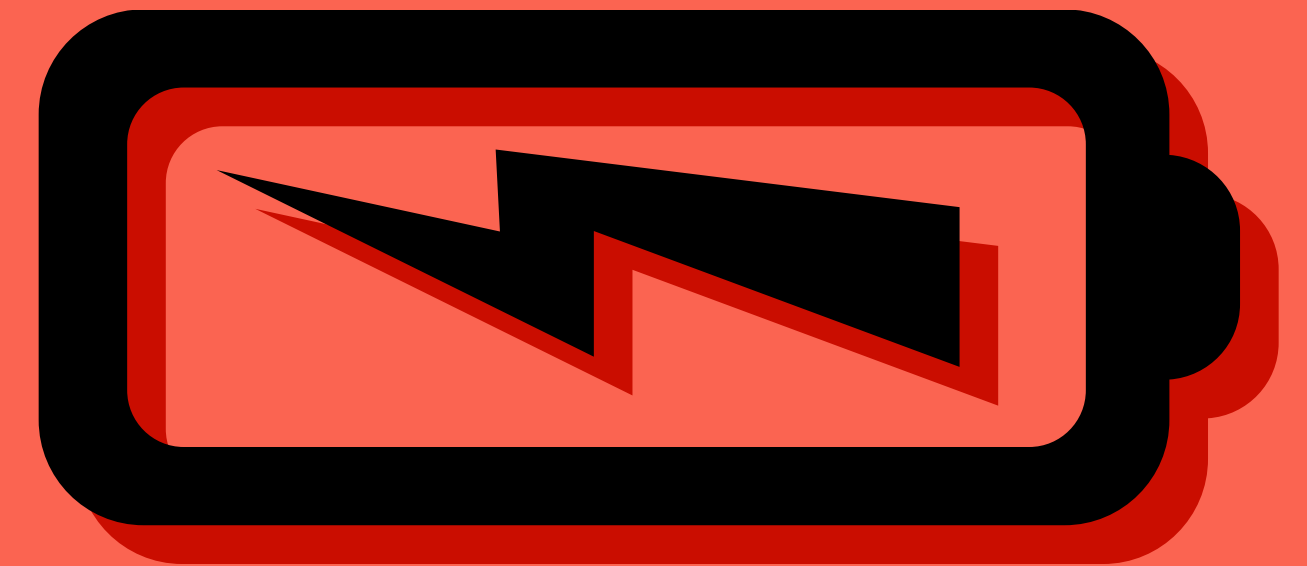
UNLV-Switch-Intel Partnership



Skyworks



Battery Research



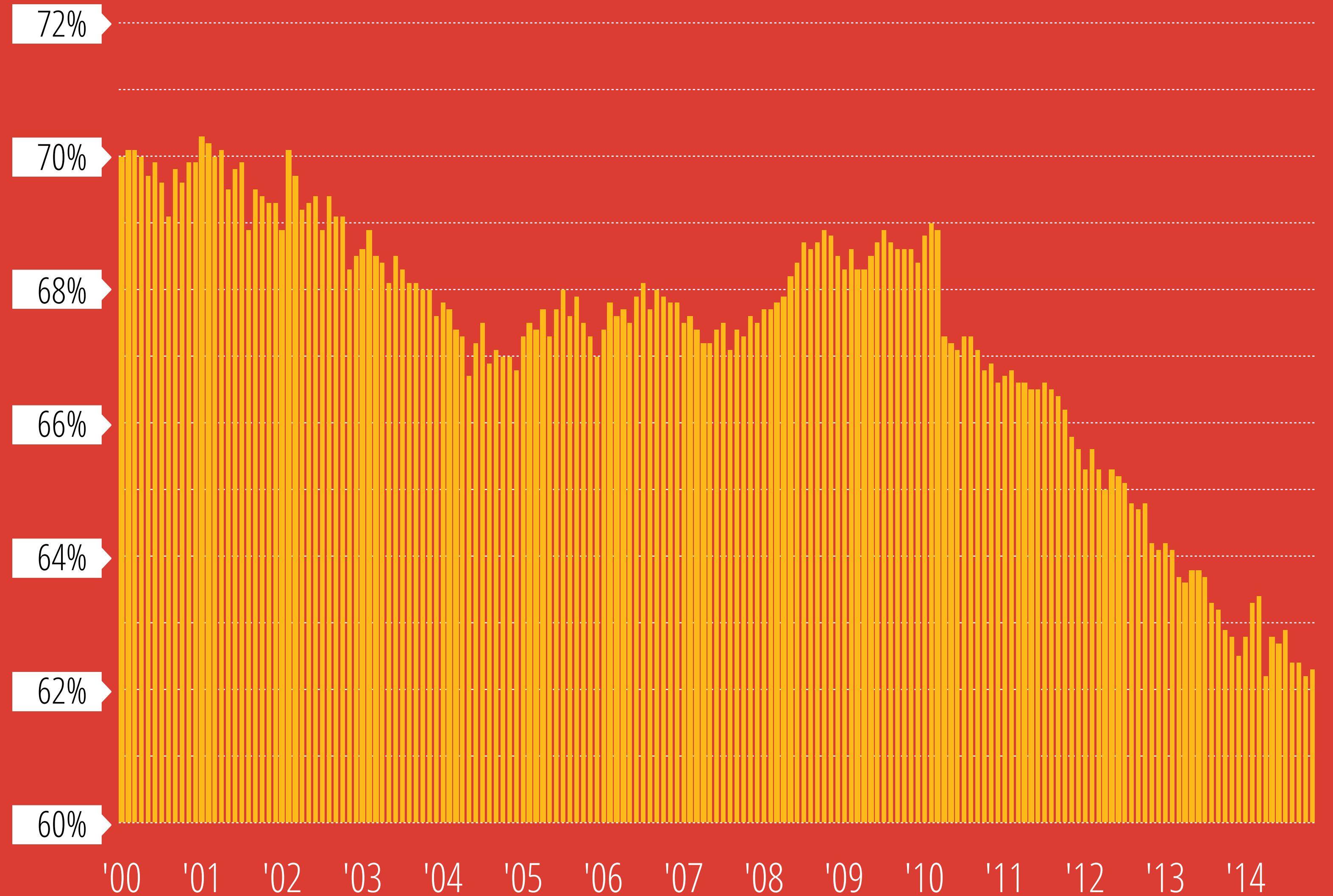
**Top 5 of Tier 1 Universities**  
with High Performance Computing

# Labor force participation rate

in Nevada

61.8%

Down 8.4 pts.  
since peak in 2001

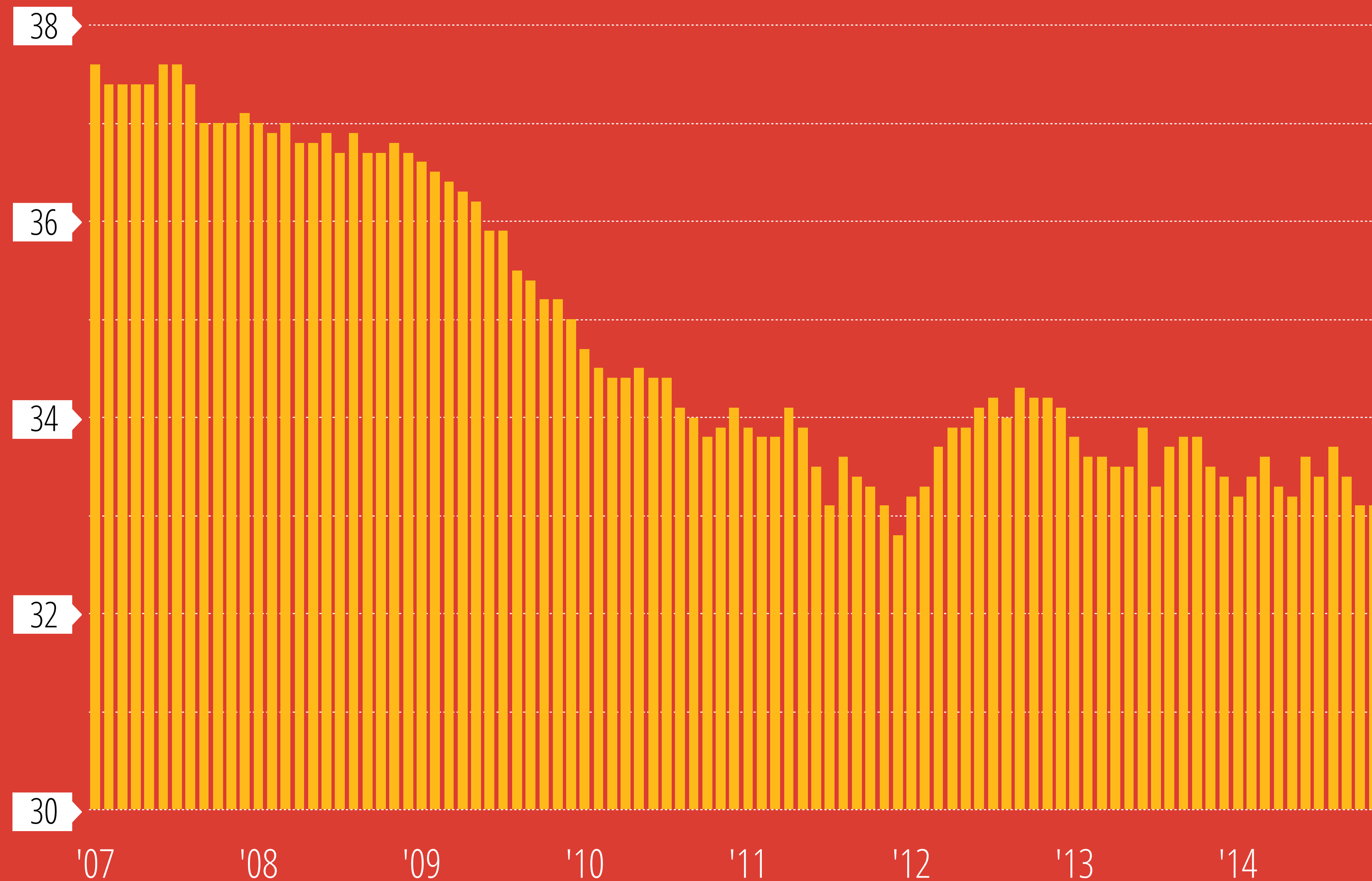


# Number of hours worked per employee

Southern Nevada (Private employment only)

33.0

Down 12.2%  
since peak in 2007

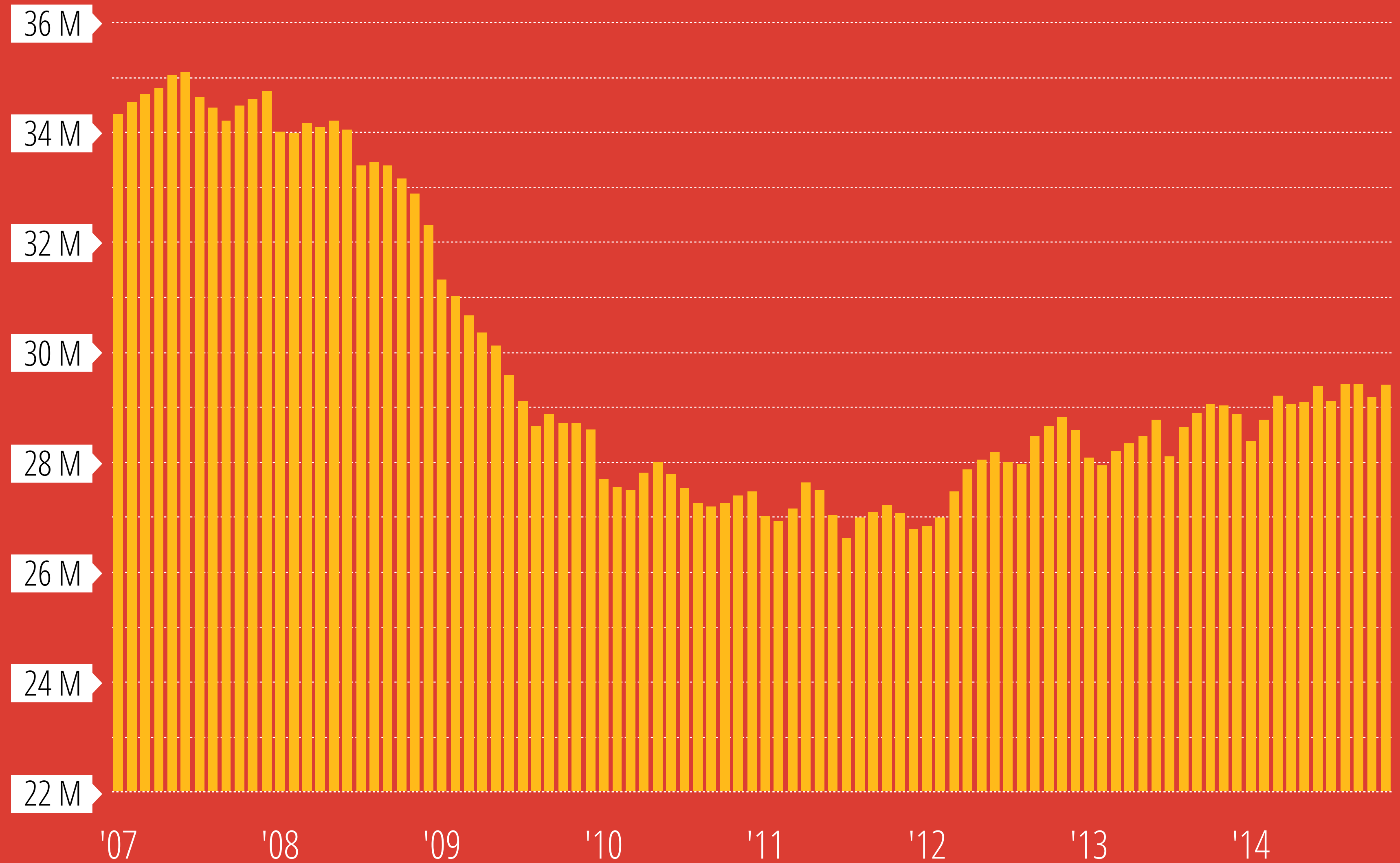


# Total number of hours worked

Southern Nevada

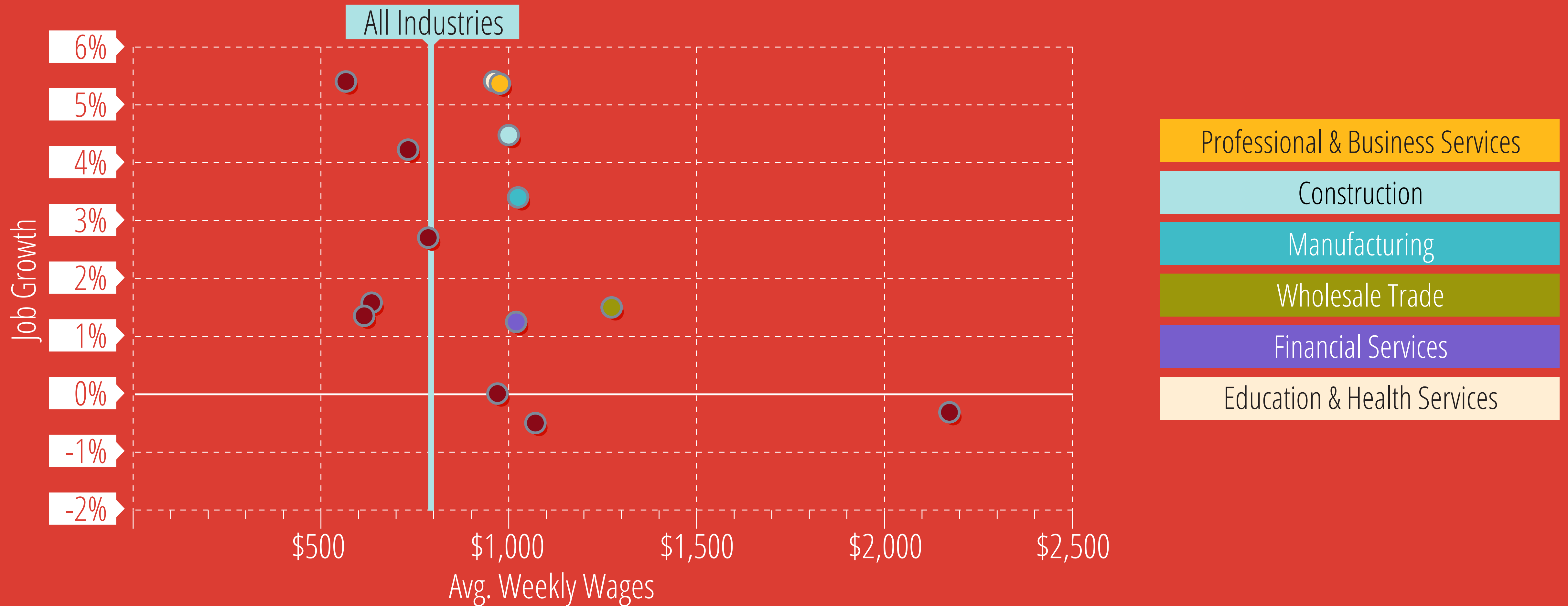
1.4% ↑

Year-over-year



Source: United States Bureau of Labor Statistics; Applied Analysis

# Wages and employment growth







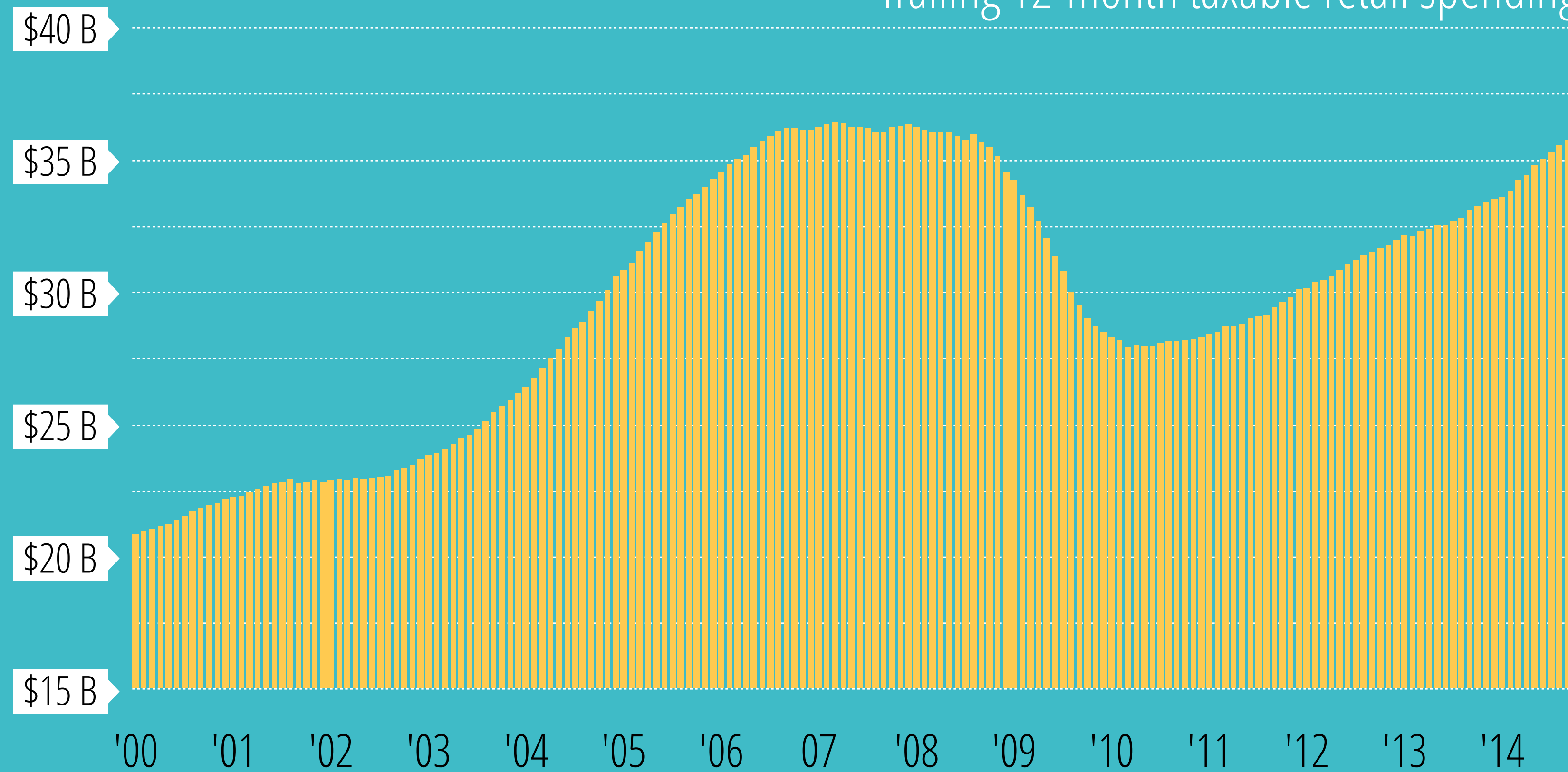
# Income & Spending



Clark County  
total taxable spending

**\$36.2 B**

Trailing 12-month taxable retail spending



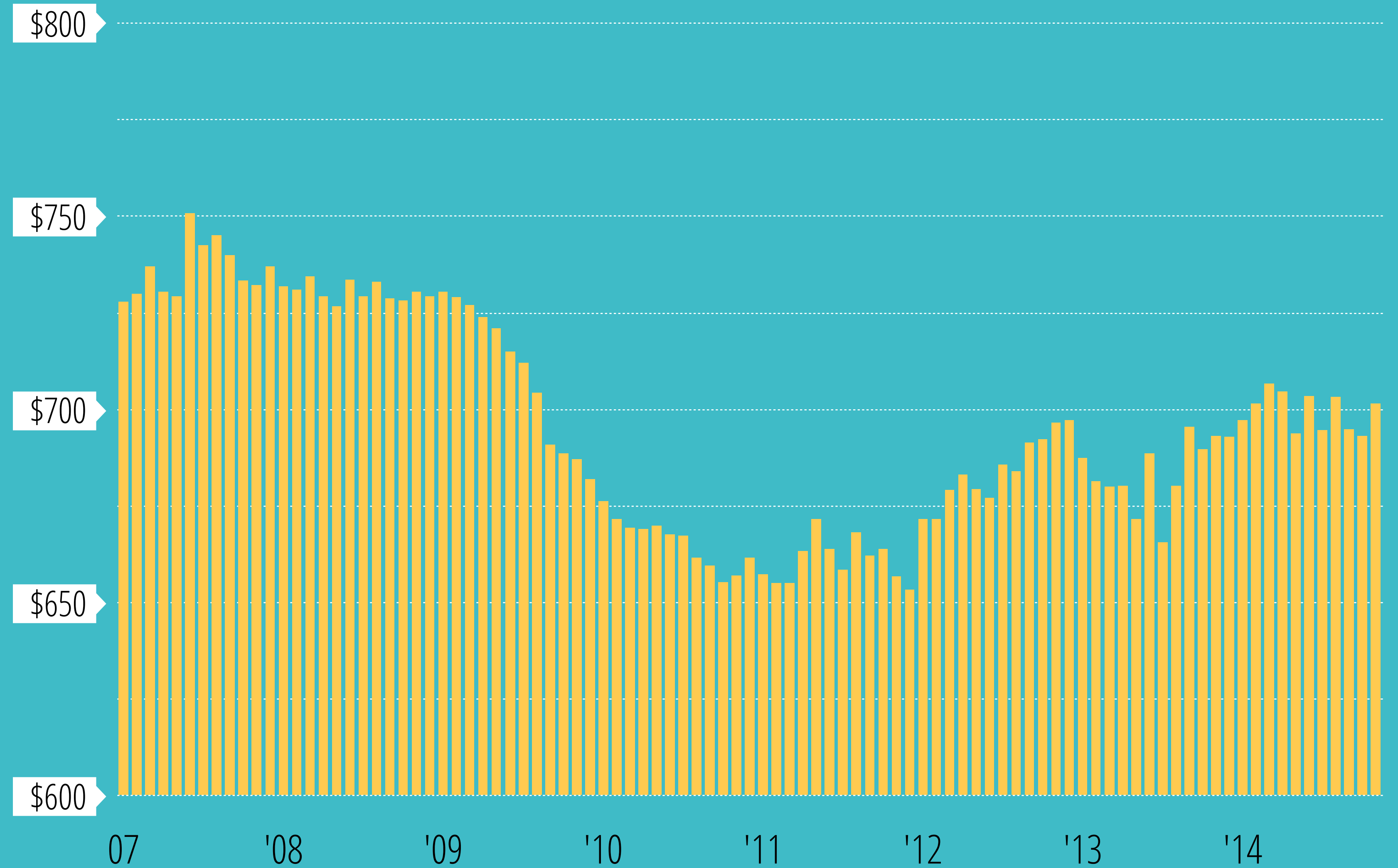
# Weekly wages per employee

Southern Nevada (Private employment only)

**\$702.24**

Peak to present  
-6.5%

Year-over-year  
1.3%



# Wage growth

From 2004 to 2013

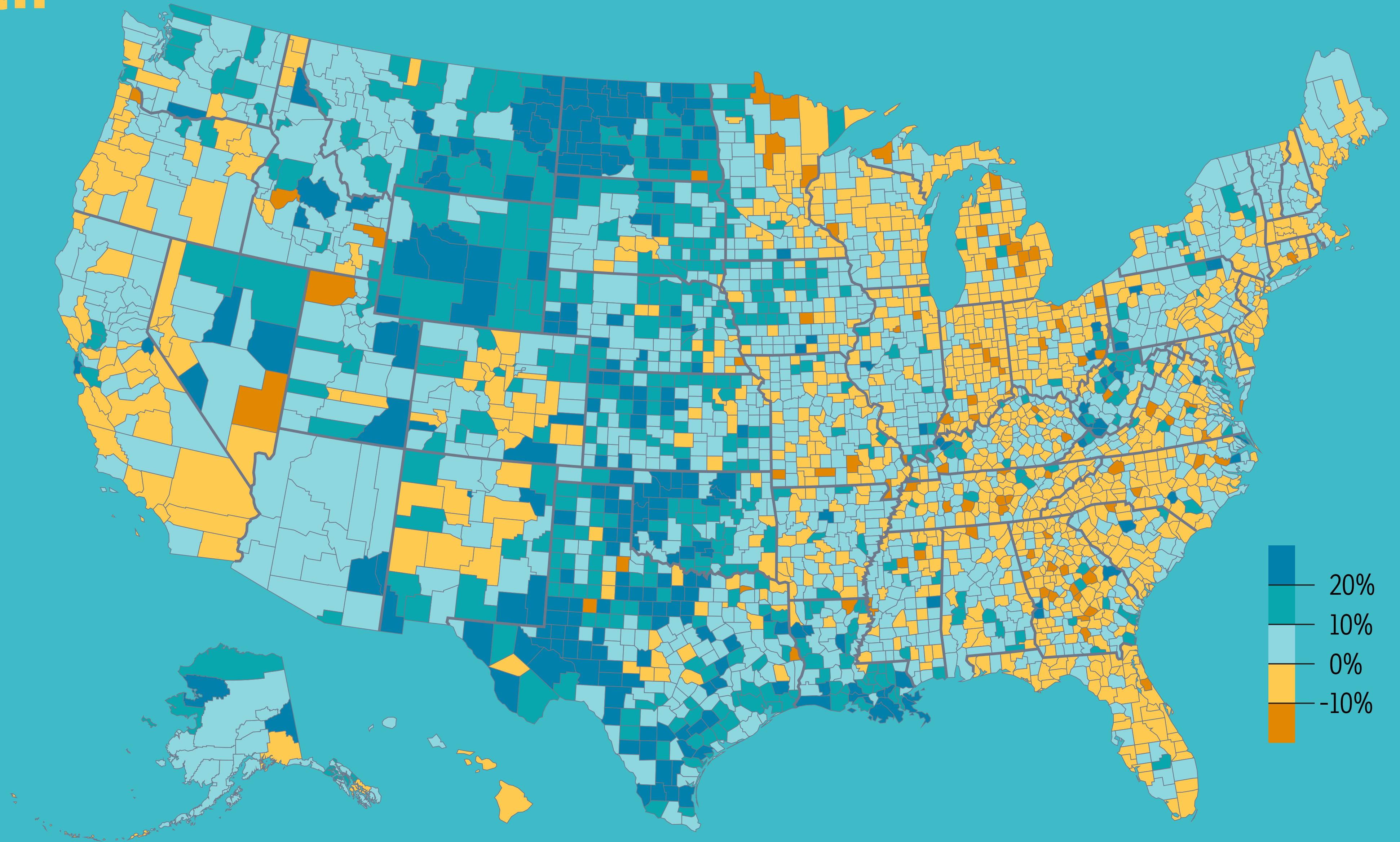
**-4.8%**

2004

**\$45,711**

2013

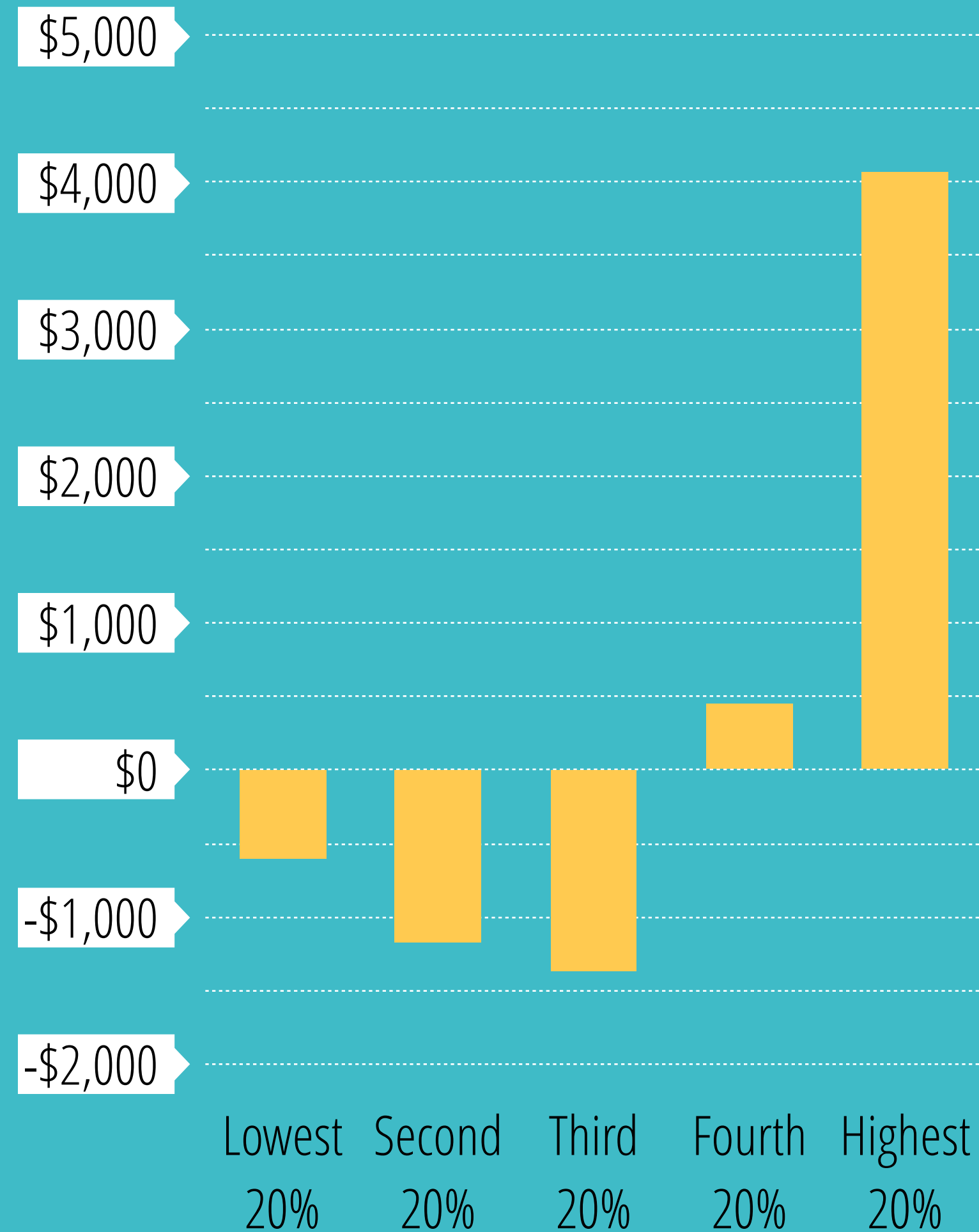
**\$43,508**



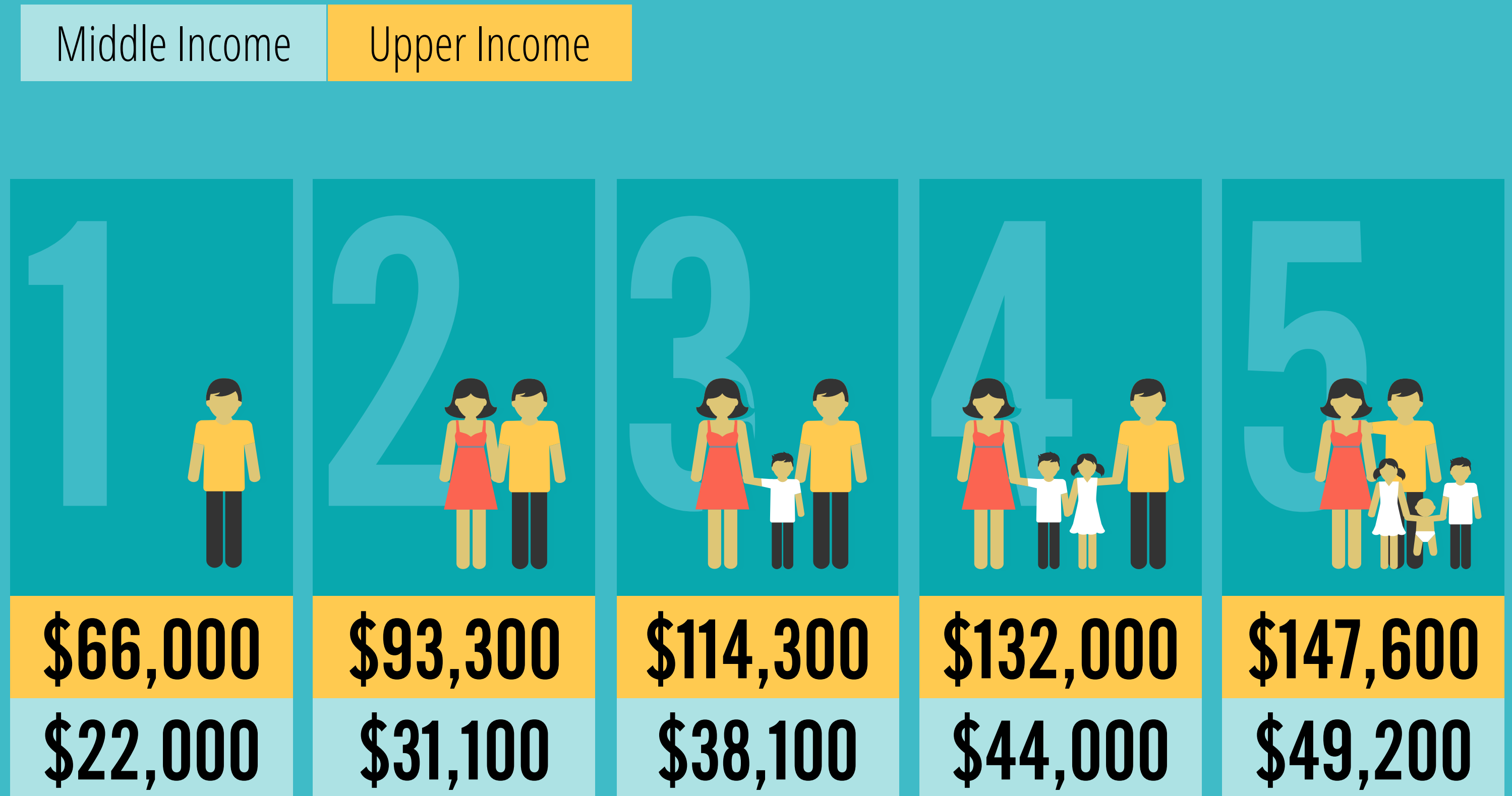
Source: The Wall Street Journal (using data from the United States Census Bureau)

# Change in wealth

By income quintile, 2008-2013



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

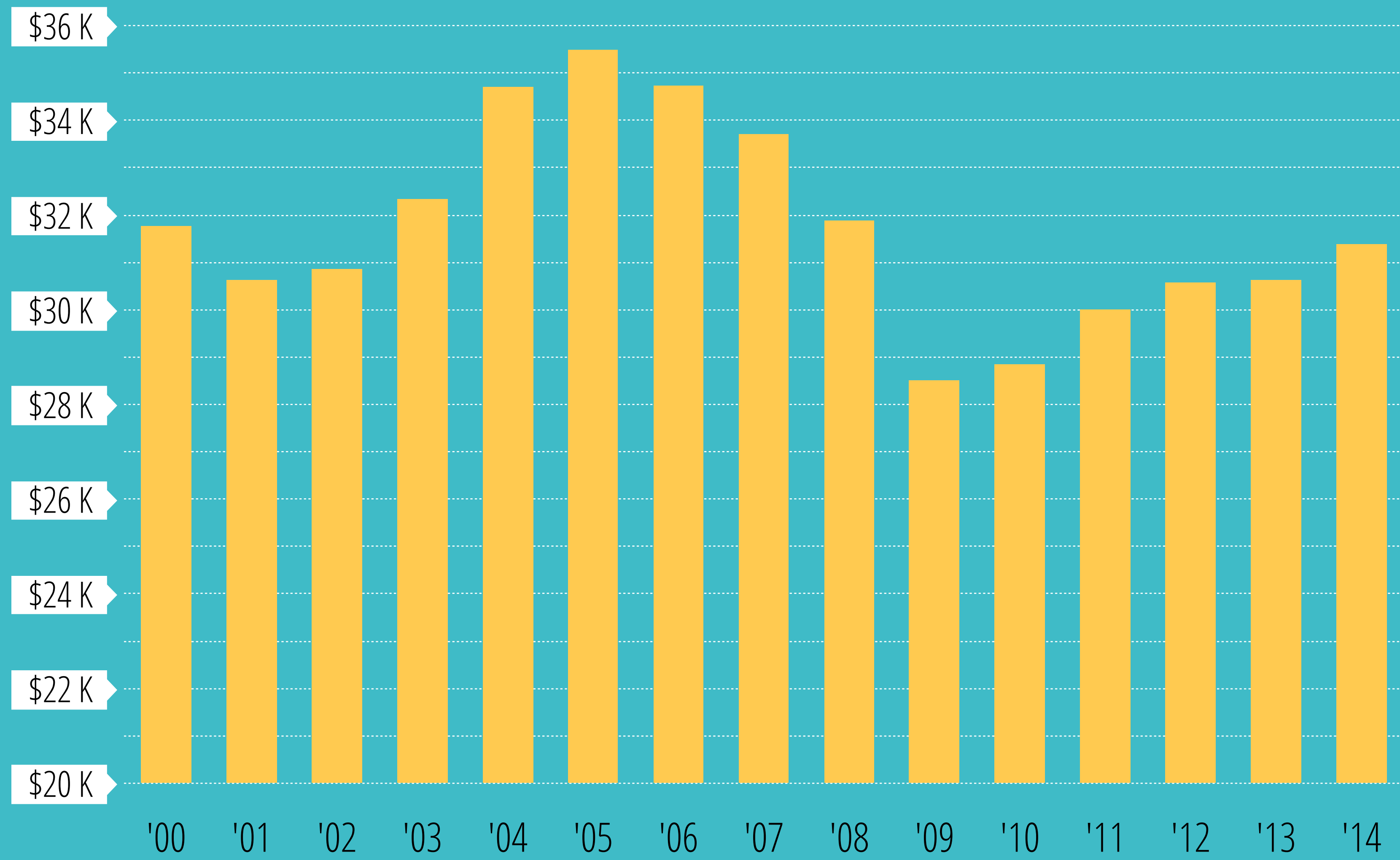


Minimum 2013 household income required, by family size

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

# Taxable retail spending per employee

Inflation-adjusted (2000 = 100), Clark County



Source: Nevada Department of Taxation; Applied Analysis

TTM

## Growth in top 5 retail categories

Past 12 months



3.7%

Food Svcs. & Drinking Places



9.3%

Motor Vehicle & Parts Dealers



2.7%

Clothing & Clothing Accessories Stores



1.9%

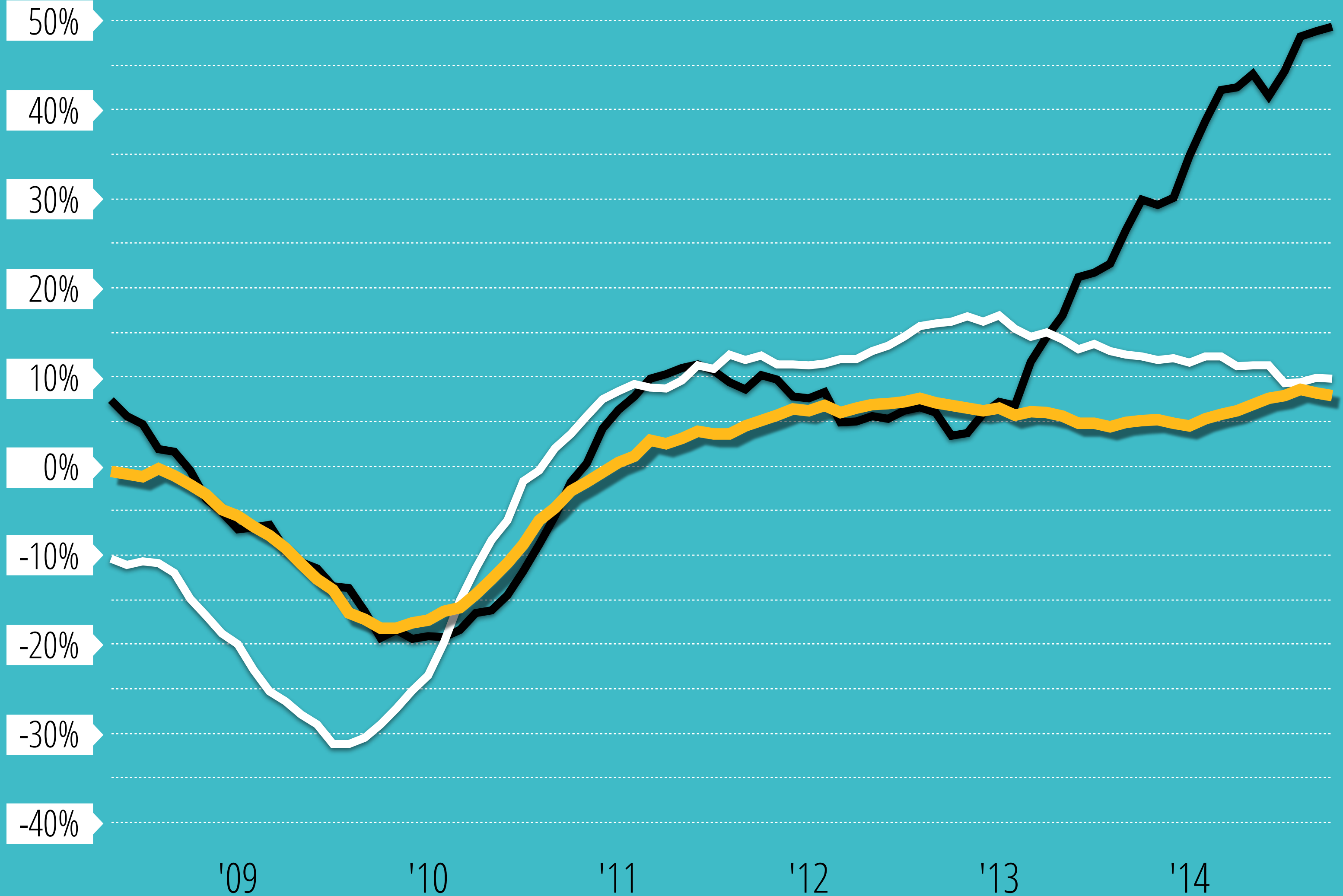
General Merchandise Stores



14.3%

Merchant Wholesalers, Durable Goods

# Comparative trends



Total Taxable Retail Sales

**8.1%** past 12 months

Nonstore Retailers

**53.9%** past 12 months  
(1.5% of all taxable retail sales)

Motor Vehicle & Parts Dealers

**9.3%** past 12 months  
(10.9% of all taxable retail sales)

Source: Nevada Department of Taxation

# Gasoline prices

US regular gasoline (all formulations)



**\$2.21**

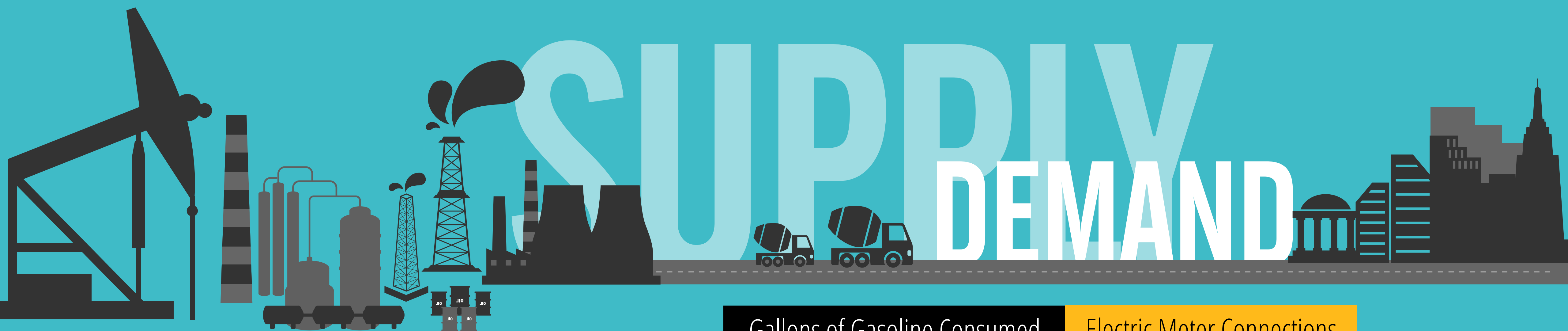
One month ago  
**\$2.50**

One year ago  
**\$3.25**







**-32.8%**  
From one year ago

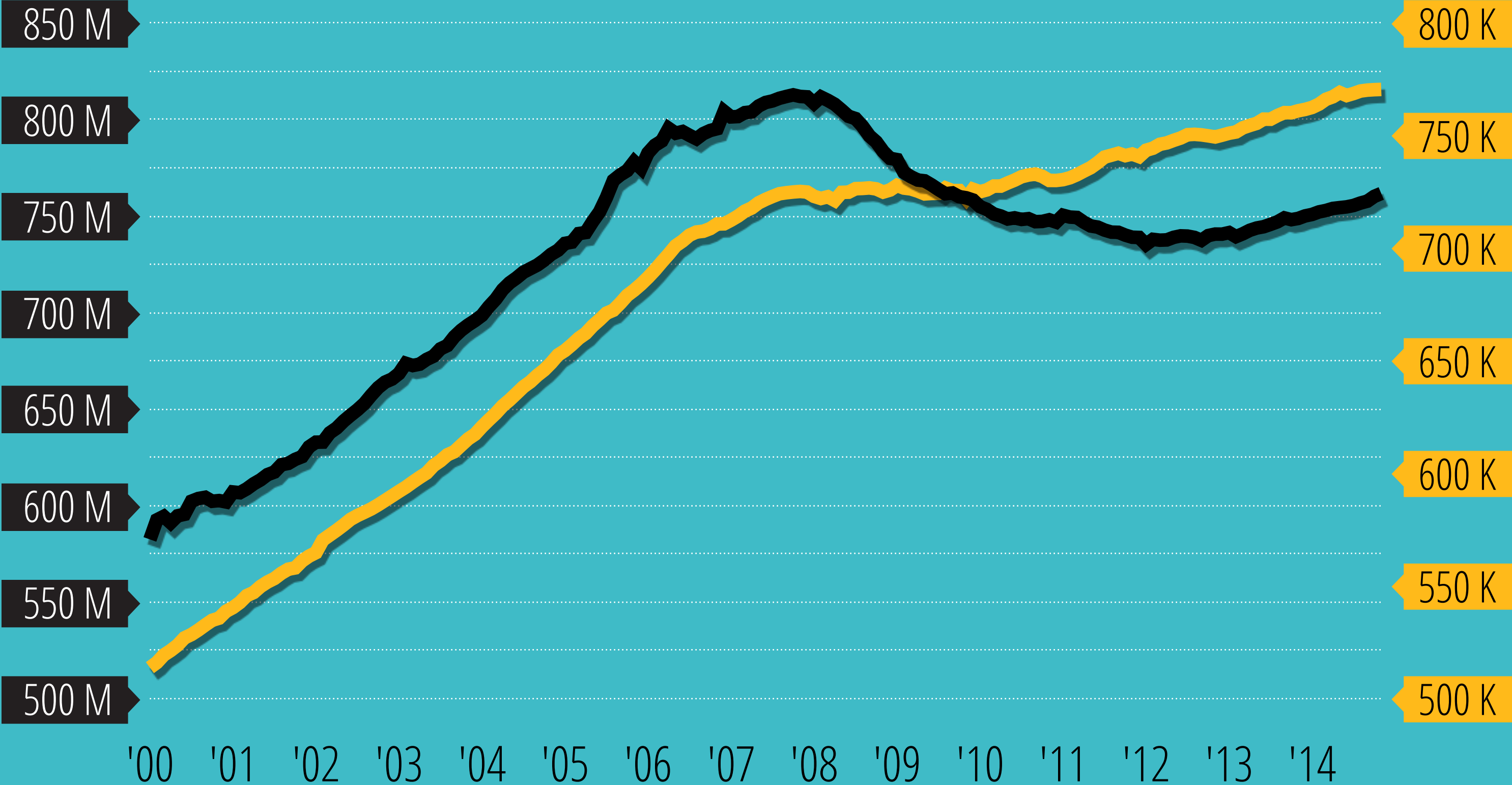
Source: United States Energy Information Administration; GasBuddy.com



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



Taxable retail sales  
recovery

**29.4%**  
from recession low

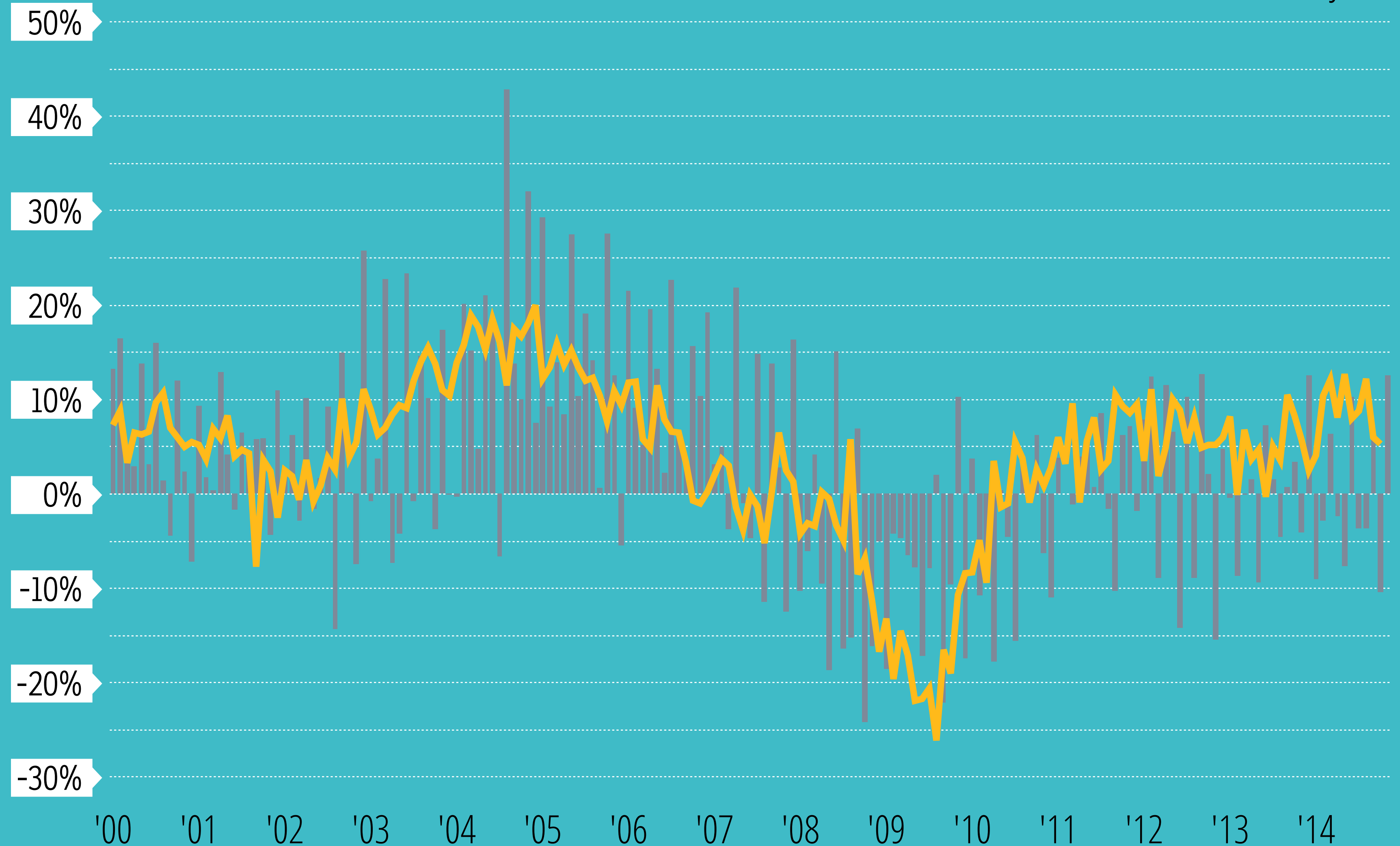
Gross gaming revenue  
recovery

**2.1%**  
from recession low

Taxable Retail Sales

Gross Gaming Revenue

Year-over-year



## Visitor profile



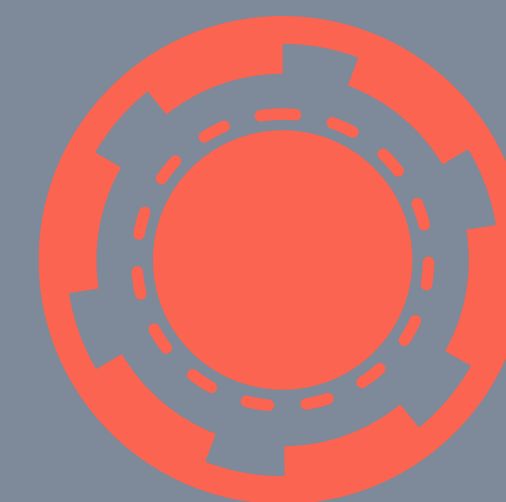
Food & Drink

**\$278.95**



Shopping

**\$140.90**



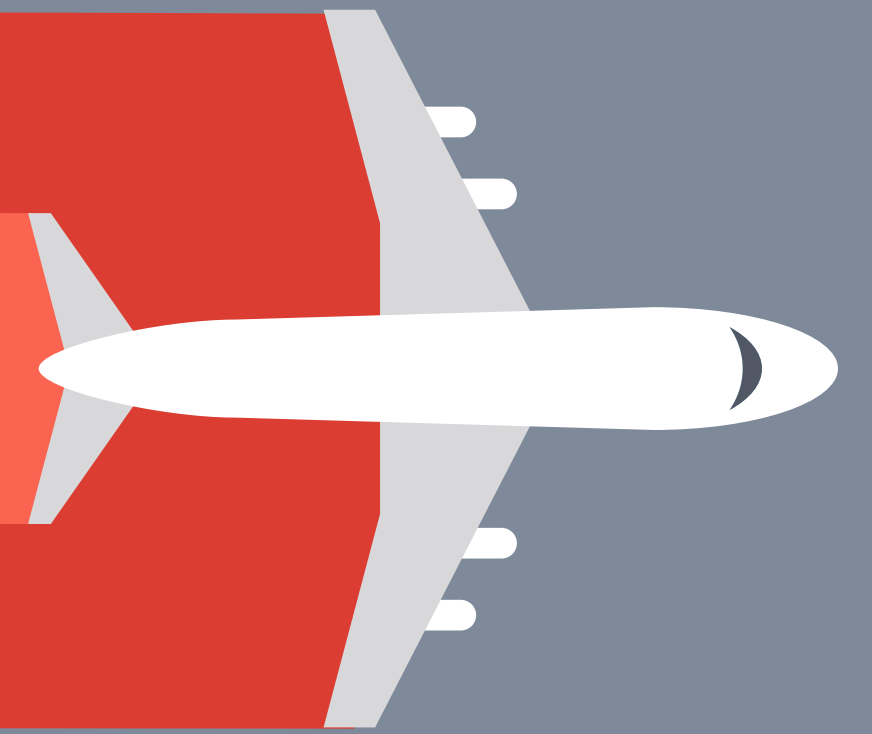
Percentage who gambled

**71.0%**

# TOURISM AND GAMING



Total Visitation **41.1 M**



## Visitor profile



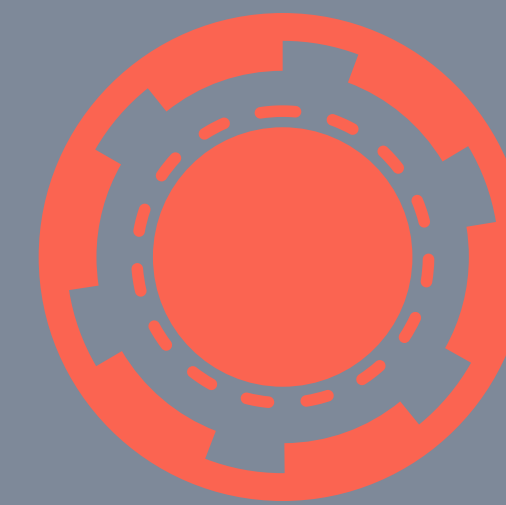
Food & Drink

**\$278.95**



Shopping

**\$140.90**



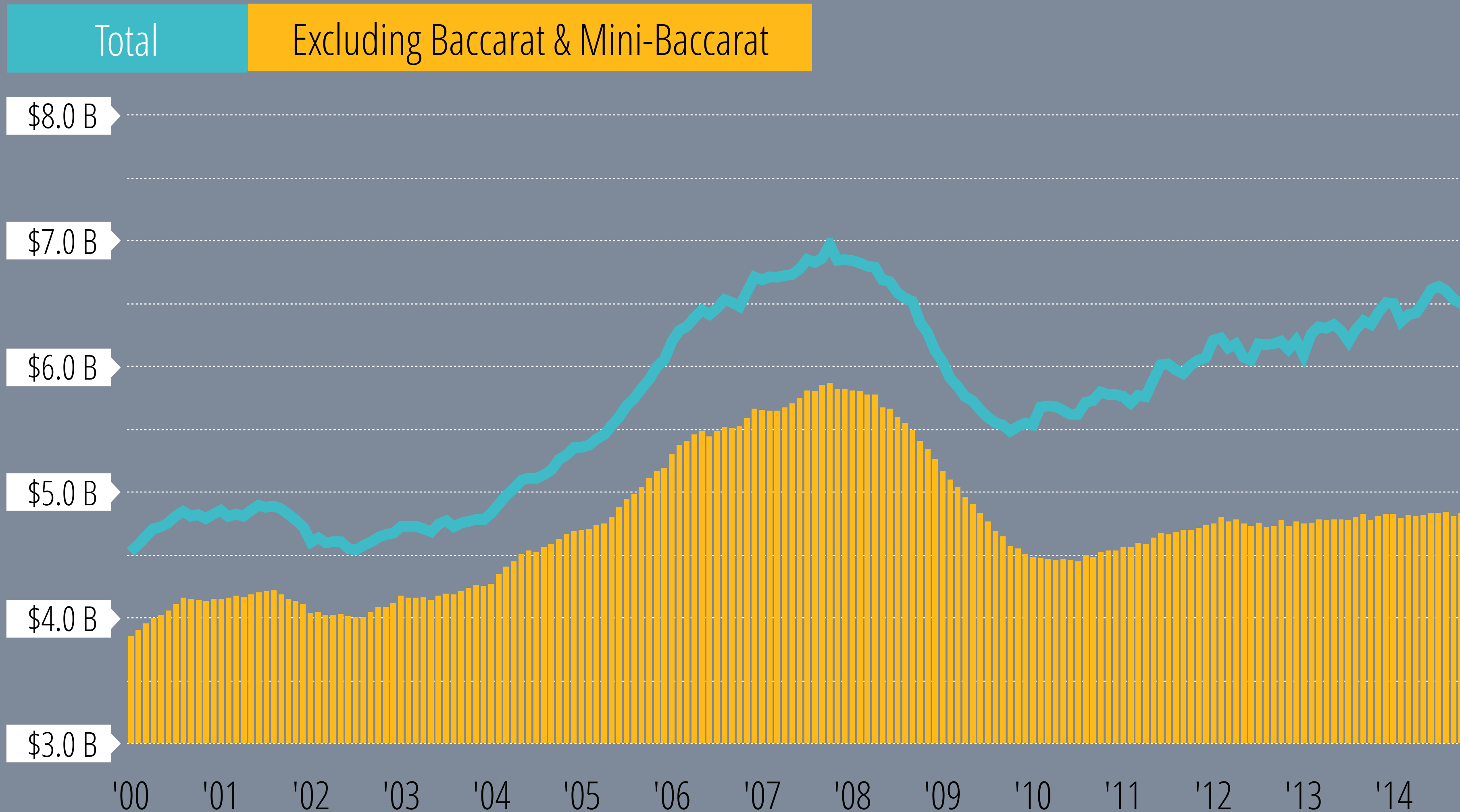
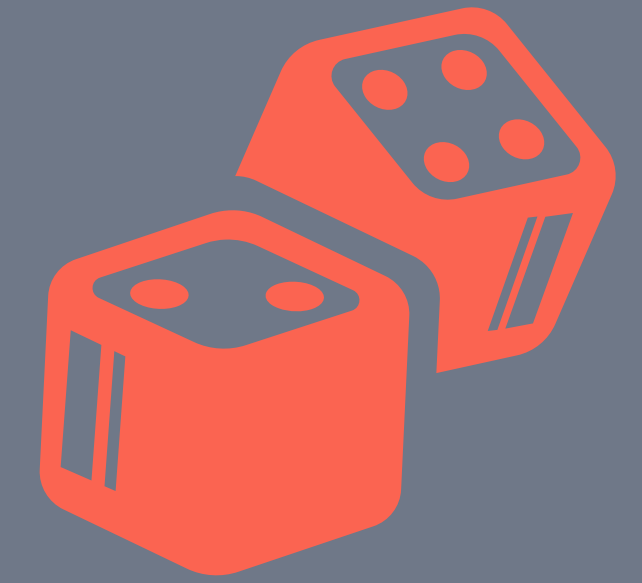
Percentage who gambled

**71.0%**



# Gross gaming revenue

Las Vegas Strip



From 2010 to 2014 (TTM)

Gross gaming revenue

**12.2%**

Excluding baccarat & mini-baccarat

**6.3%**



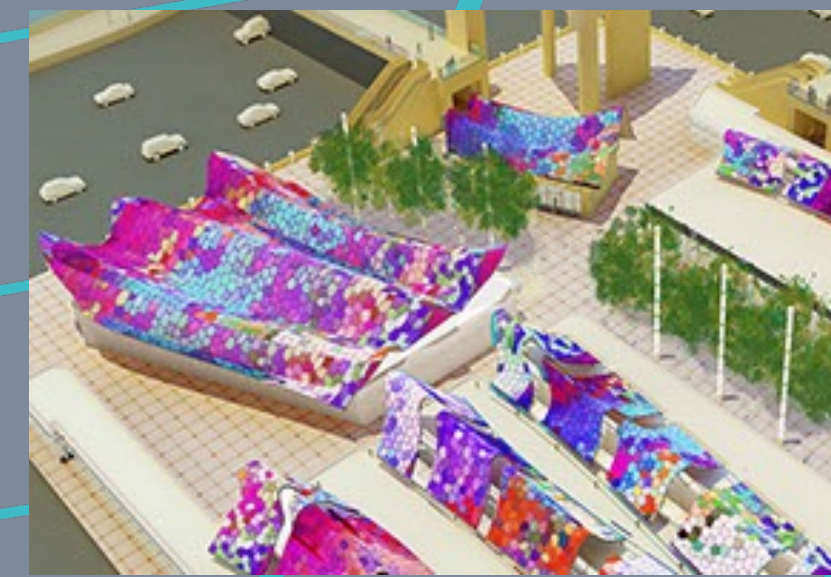
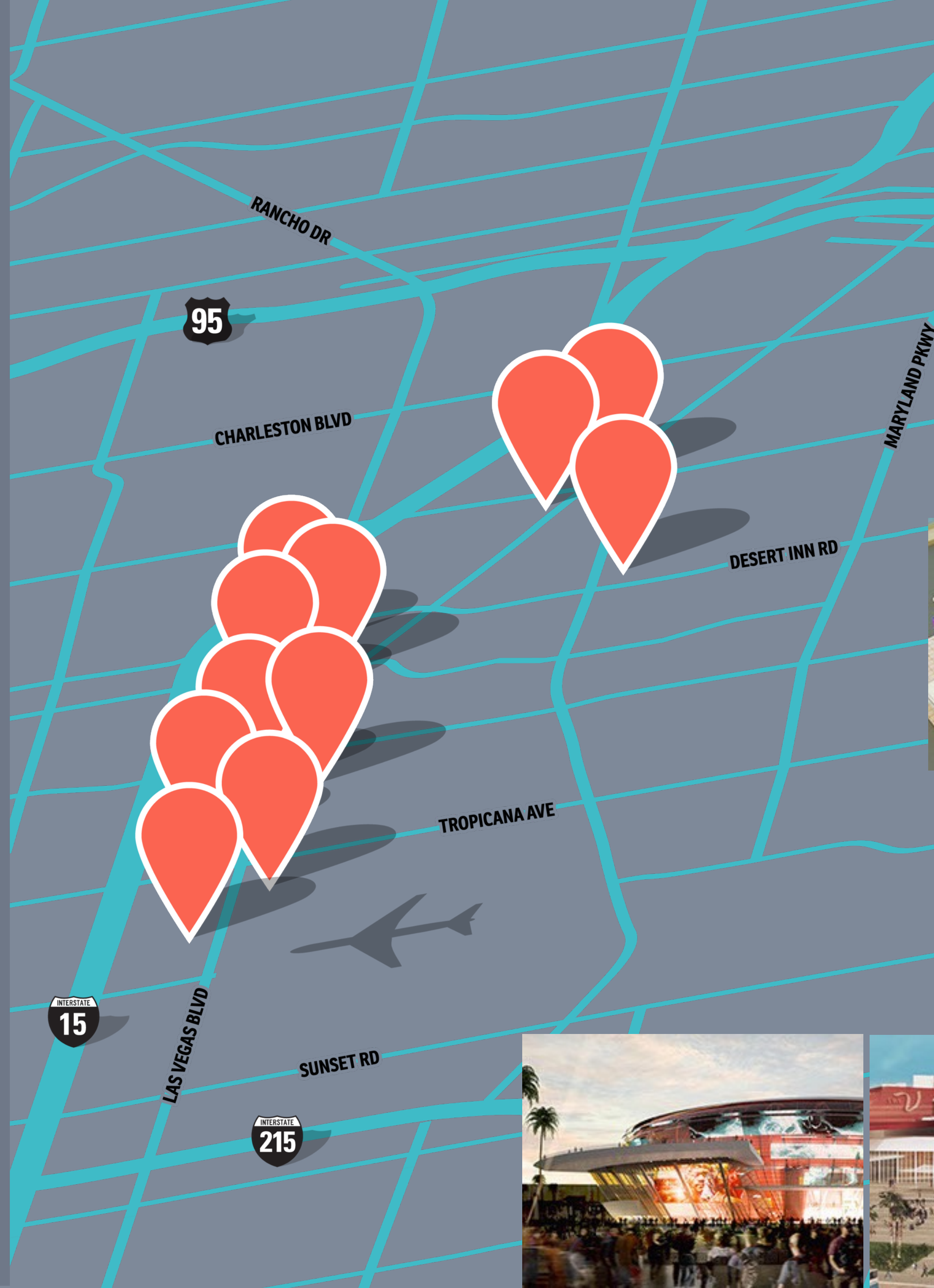
KONAMI



# Non-gaming developments

More than  
**\$4.7 B**

in non-gaming  
developments on the  
Las Vegas Strip



Source: Applied Analysis; Las Vegas Convention and Visitors Authority

# Housing Market



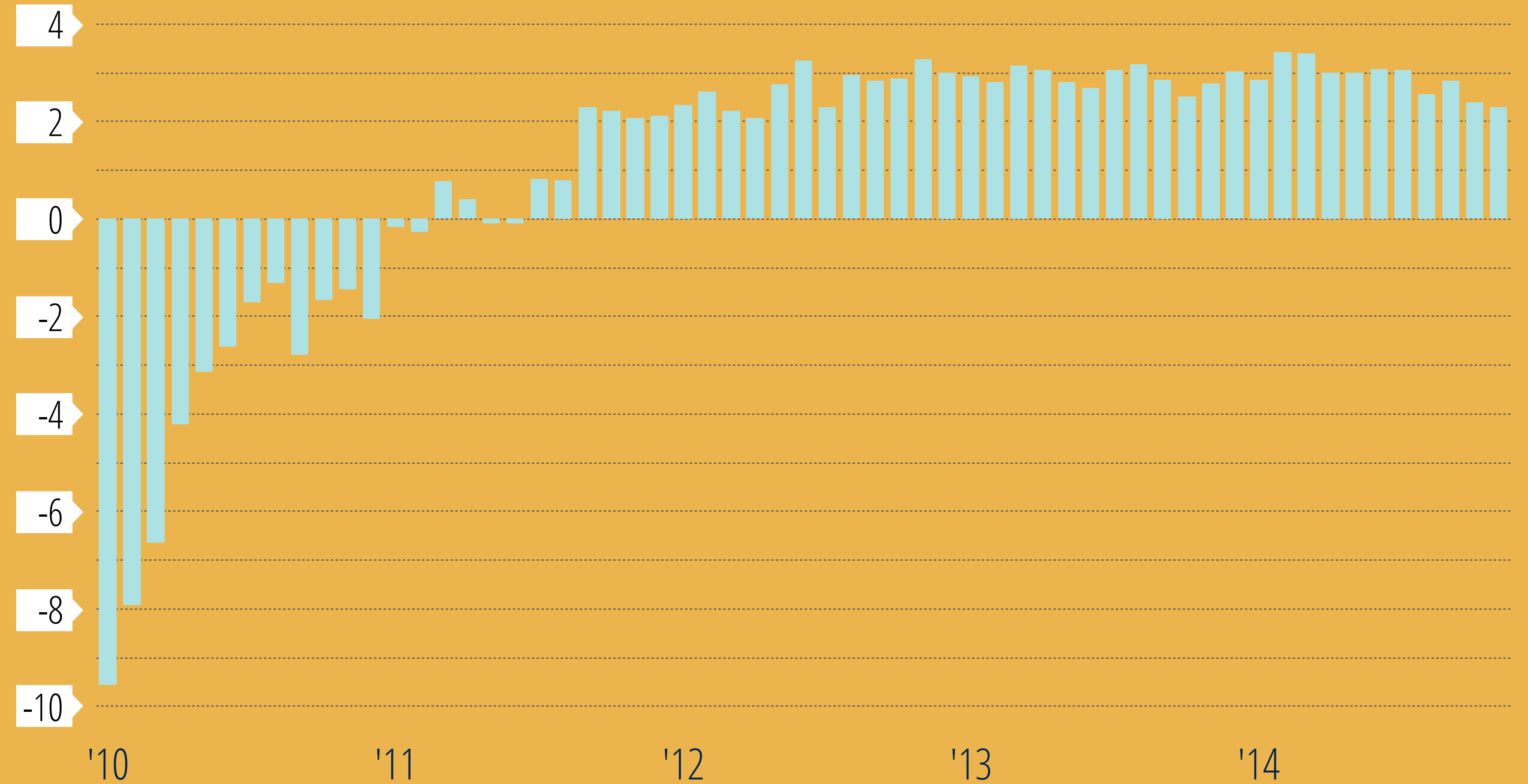
Total housing units permitted

Southern Nevada

9,506

Last 12 months  
up 9.6% Y-O-Y

Employment growth to housing units permitted

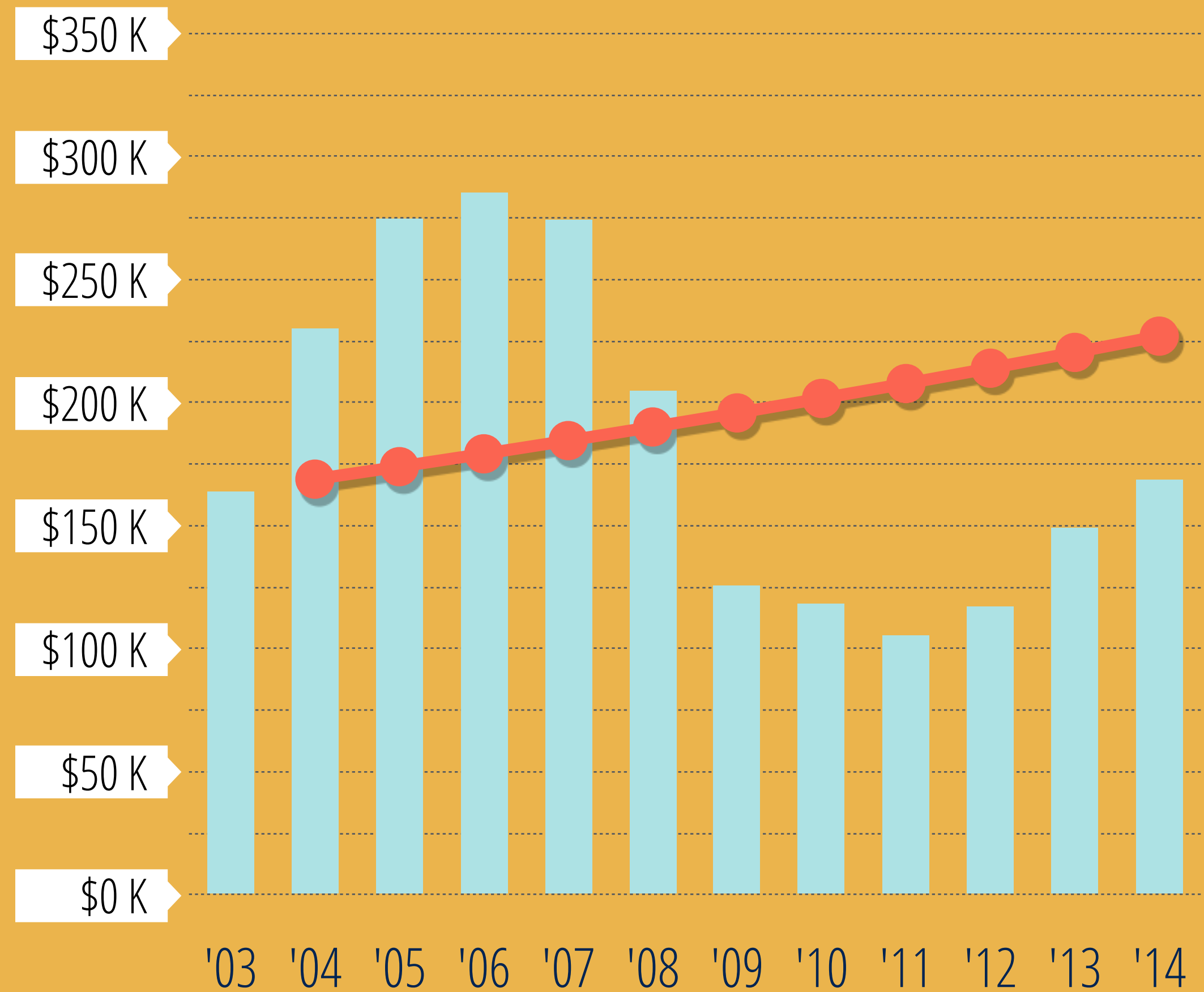


Source: UNLV Center for Business and Economic Research; United States Bureau of Labor Statistics

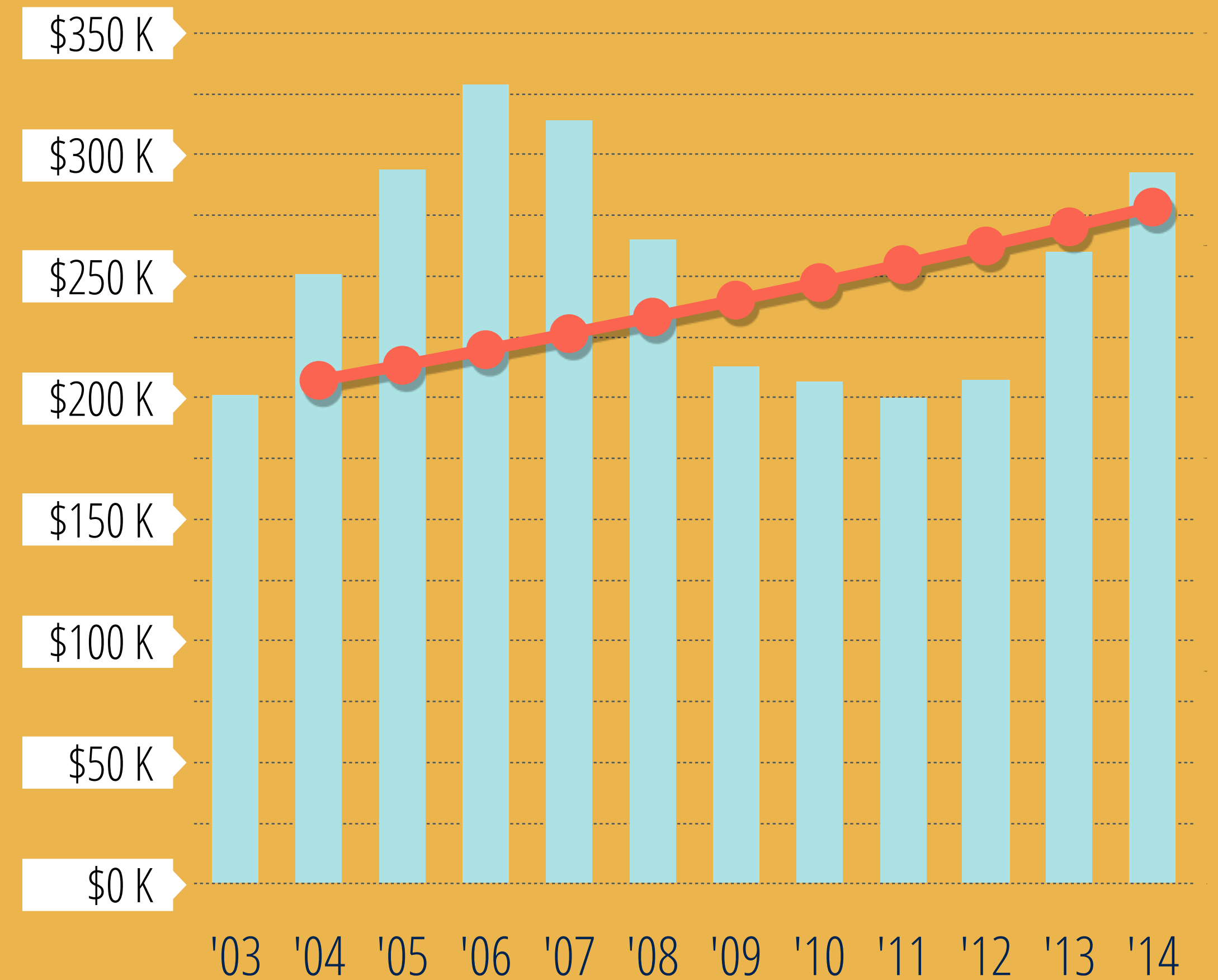


# What if home prices increased 3% every year?

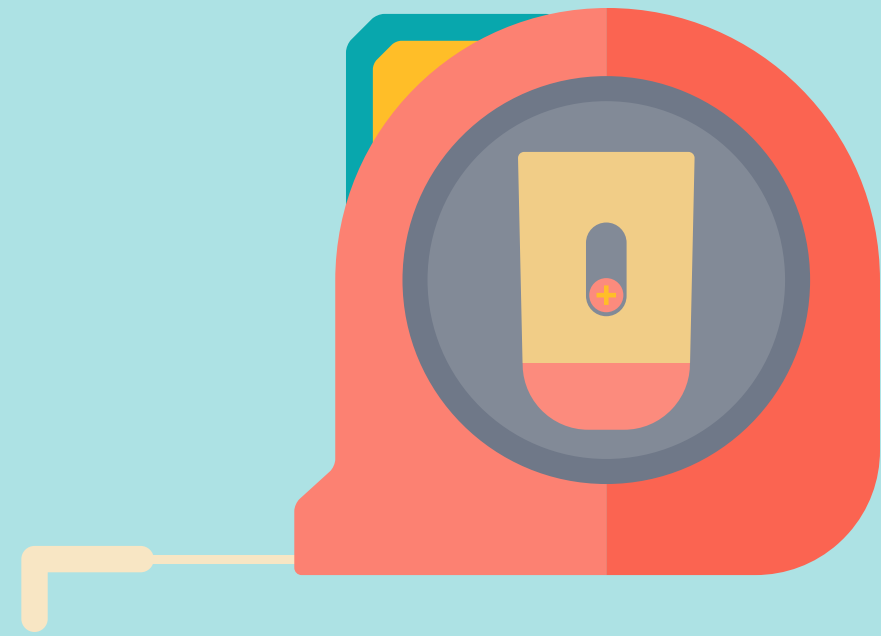
Existing Homes



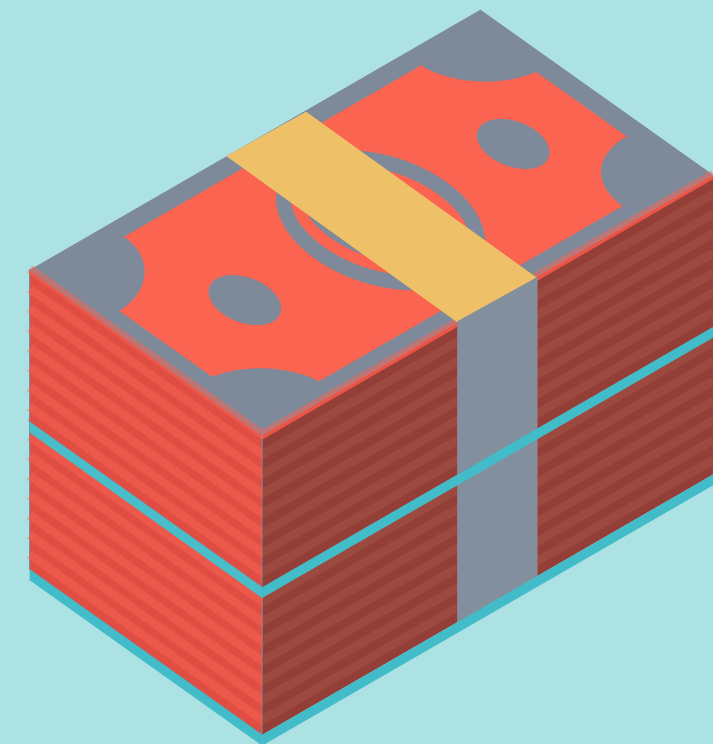
New Homes



# Why the difference between new and existing home prices?



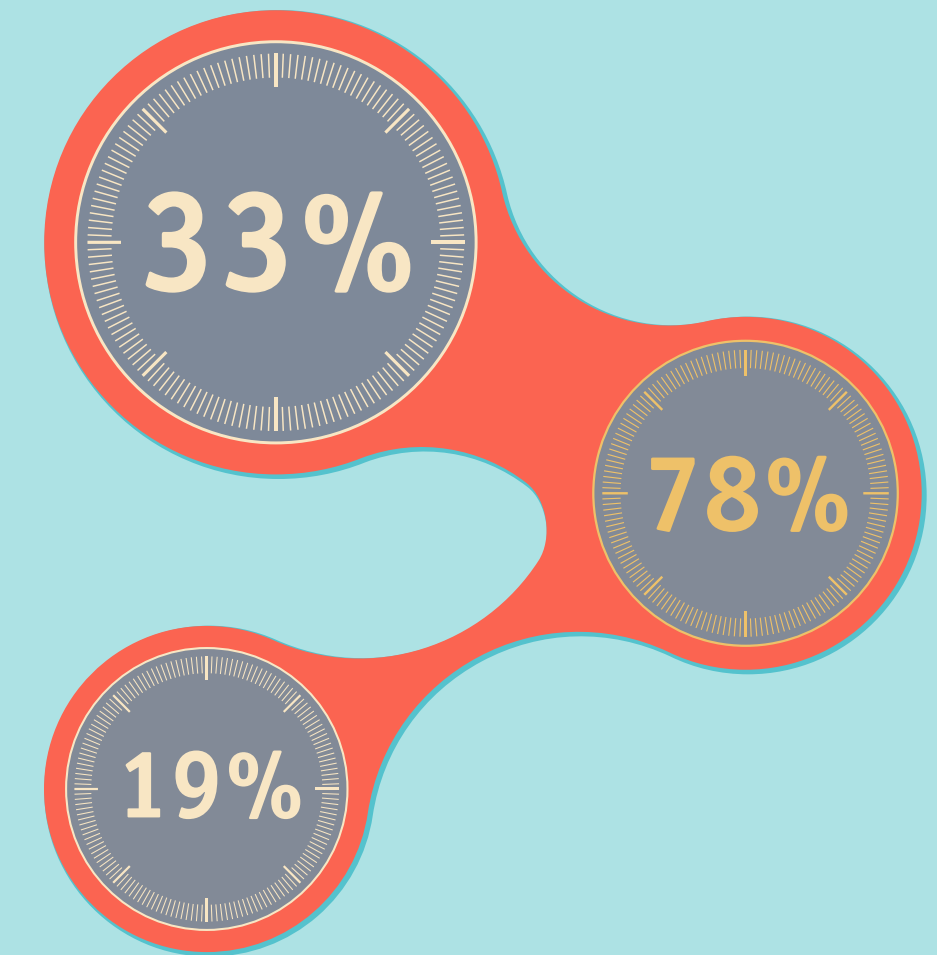
**25.8%**  
AVG. SIZE



**14.4%**  
AVG. PRICE



**19.9**  
AVG. AGE  
(of resale homes)

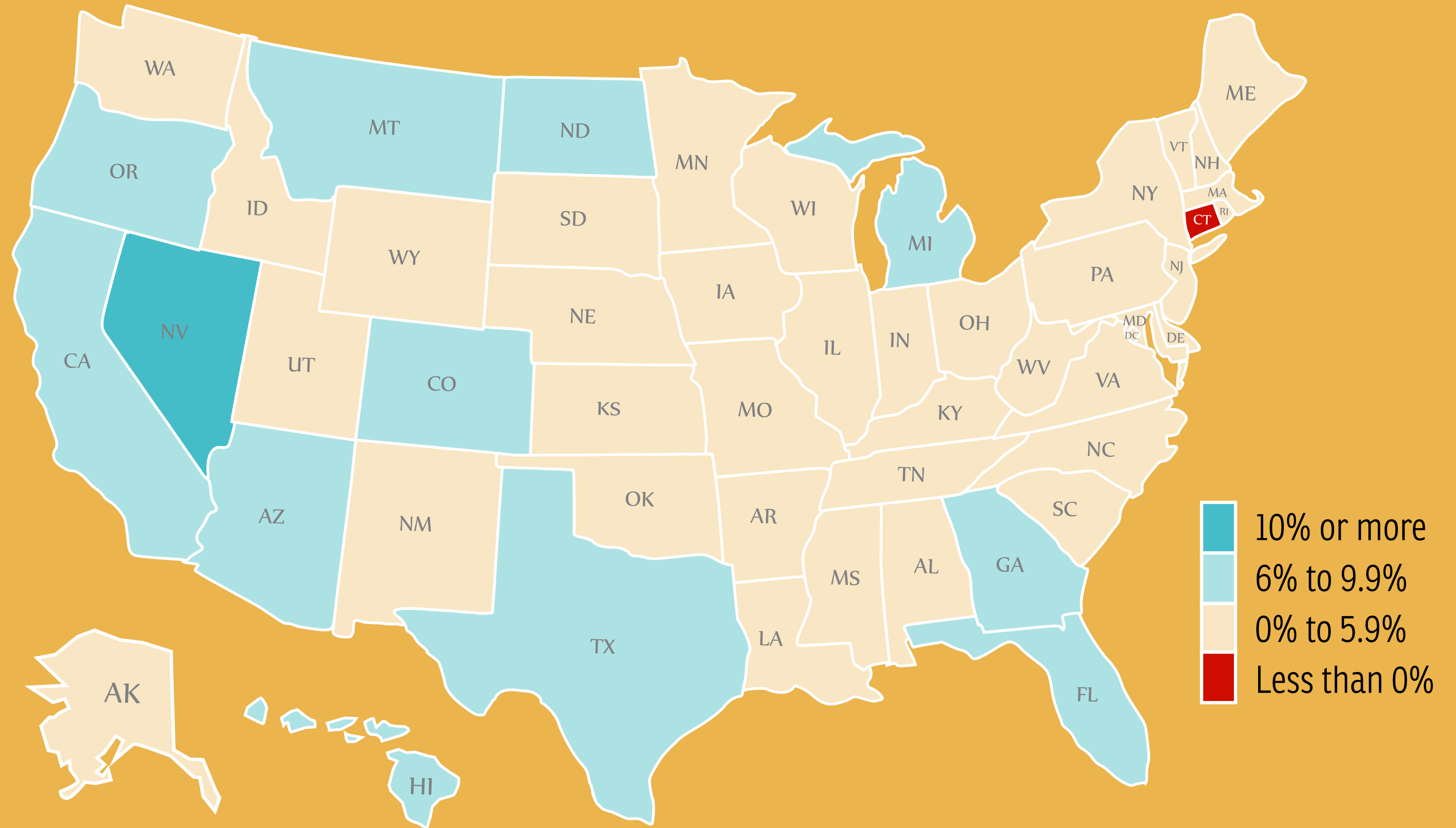


**TECHNOLOGIES**  
(in new homes)

# Housing price appreciation

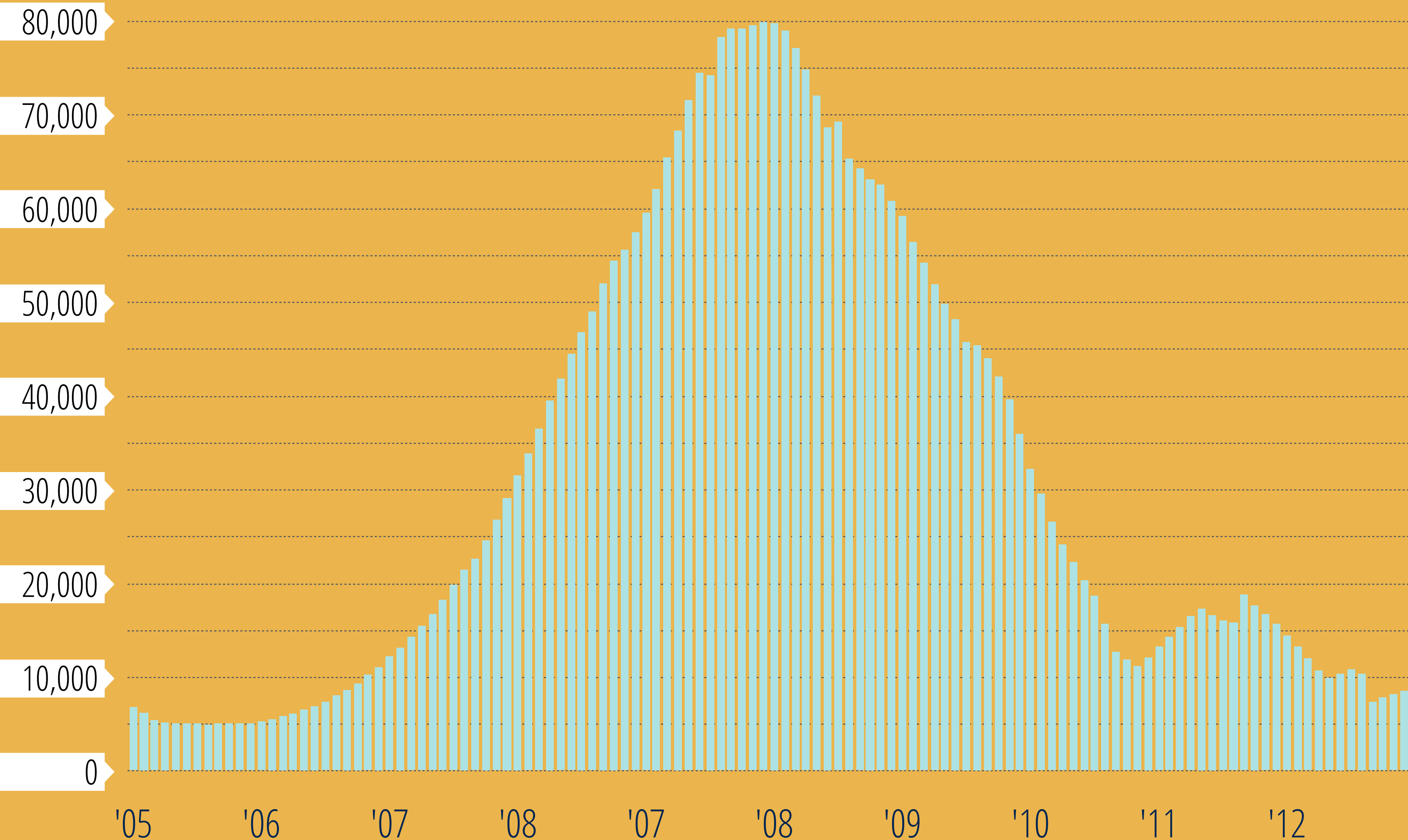
Q3 2013 to Q3 2014

**10.3%**  
#1 in the nation



# Notices of default

Trailing 12-months



Peak to present

**-89.3%**

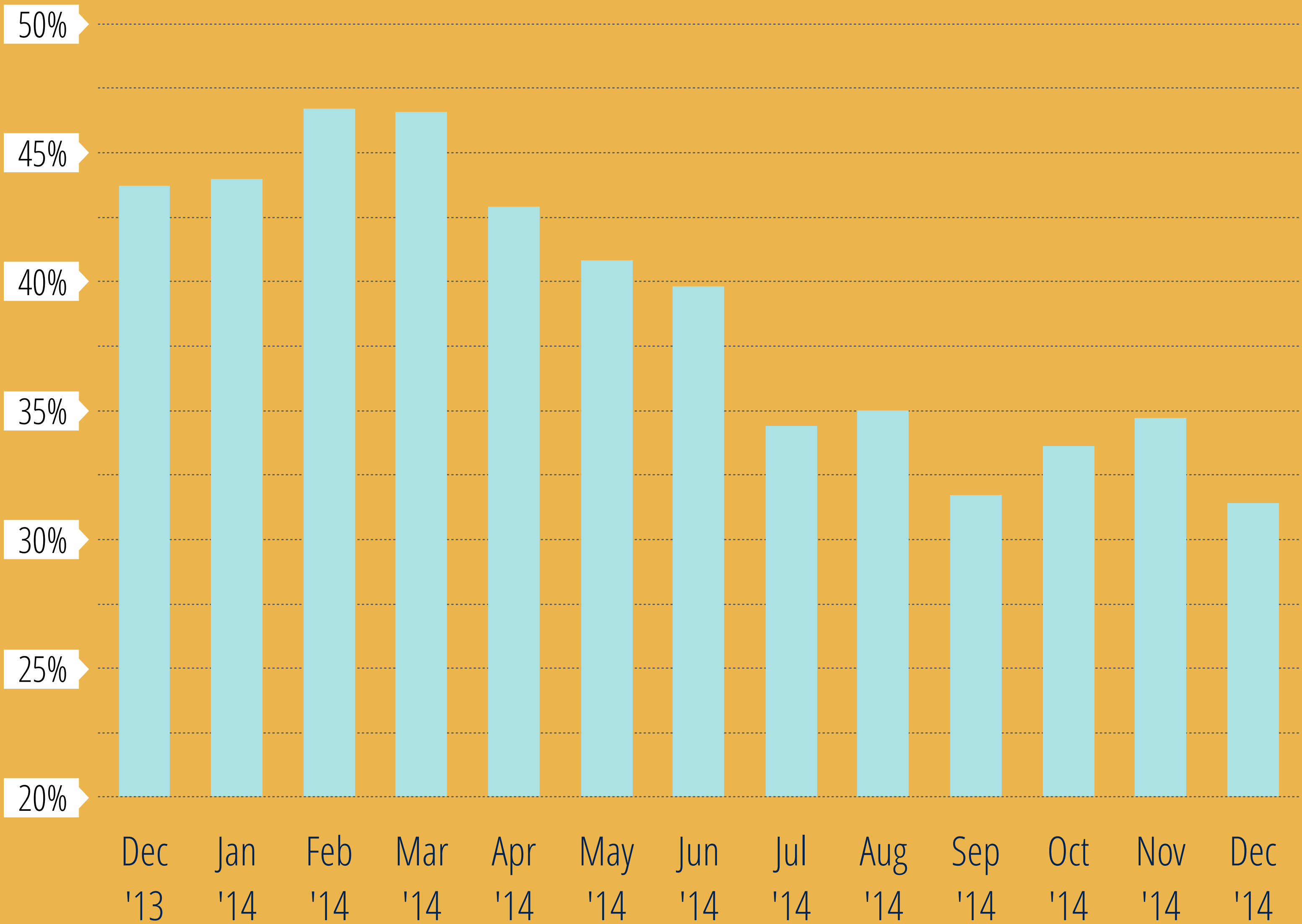
Percentage of homes underwater in Nevada

Q3 2013 **32.2%**

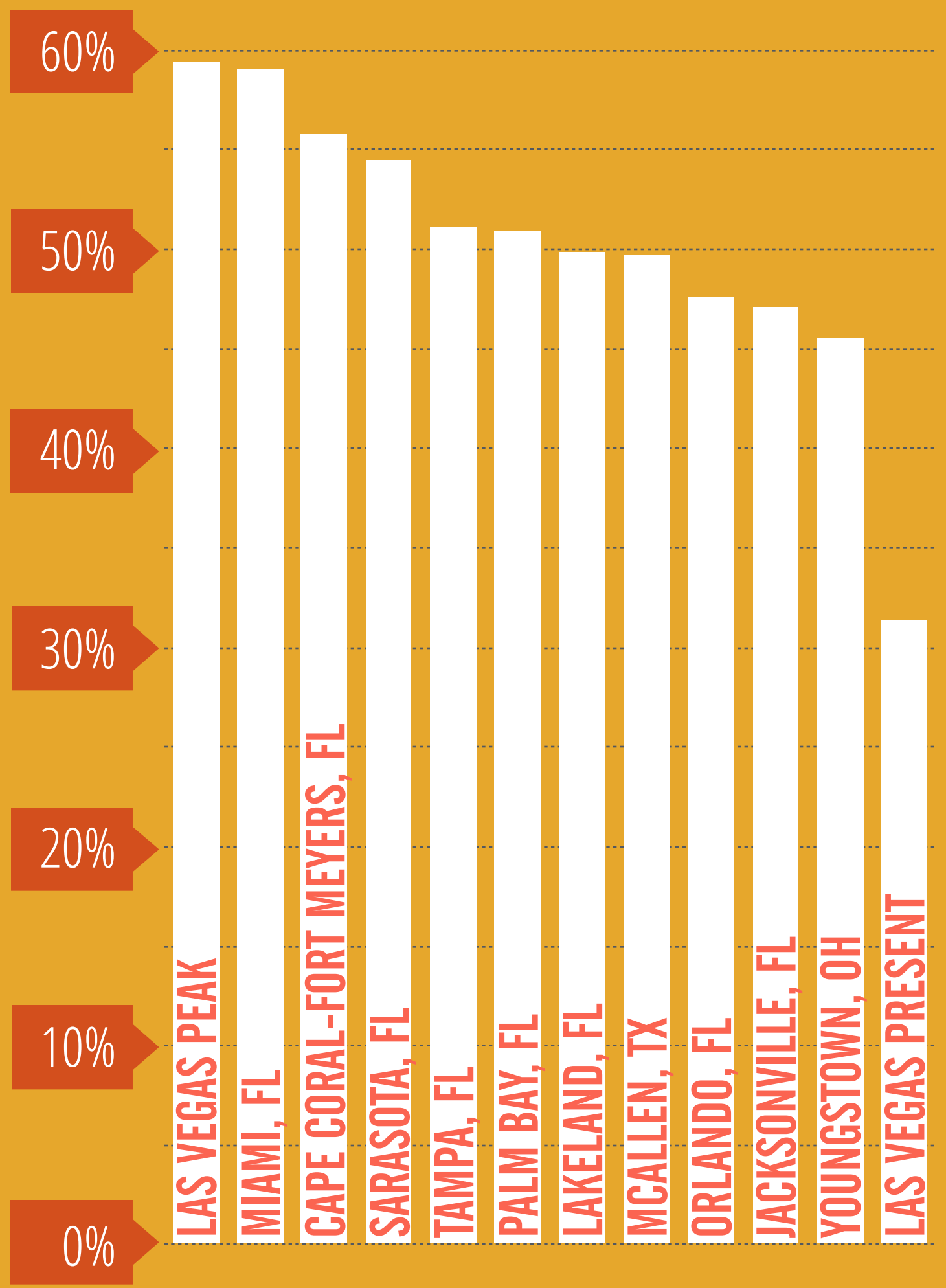
Q3 2014 **25.4%**

Source: Clark County Recorder's Office; CoreLogic

# Investor purchase share



## Markets with highest Share of cash sales



Source: SalesTraq; RealtyTrac



Persons per  
household

2.71



36%

of millennials (18-31)  
are living at home

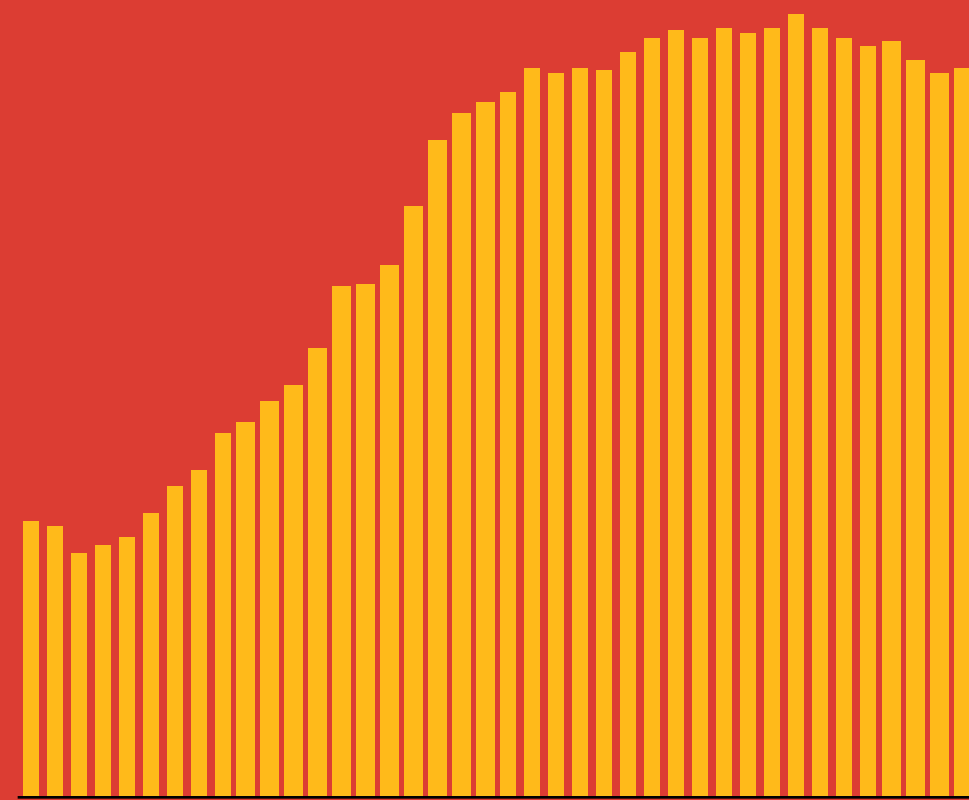
# Commercial & Industrial Markets



## Vacancy rates

**23.6%**

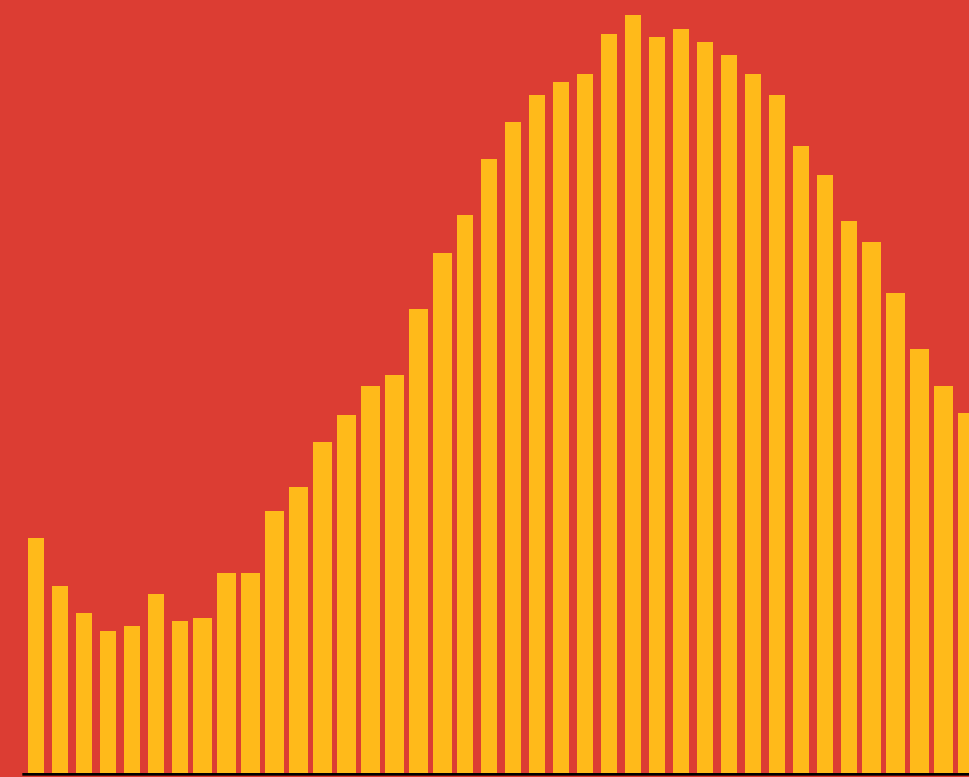
Down 0.7 pts. in last year



OFFICE

**8.1%**

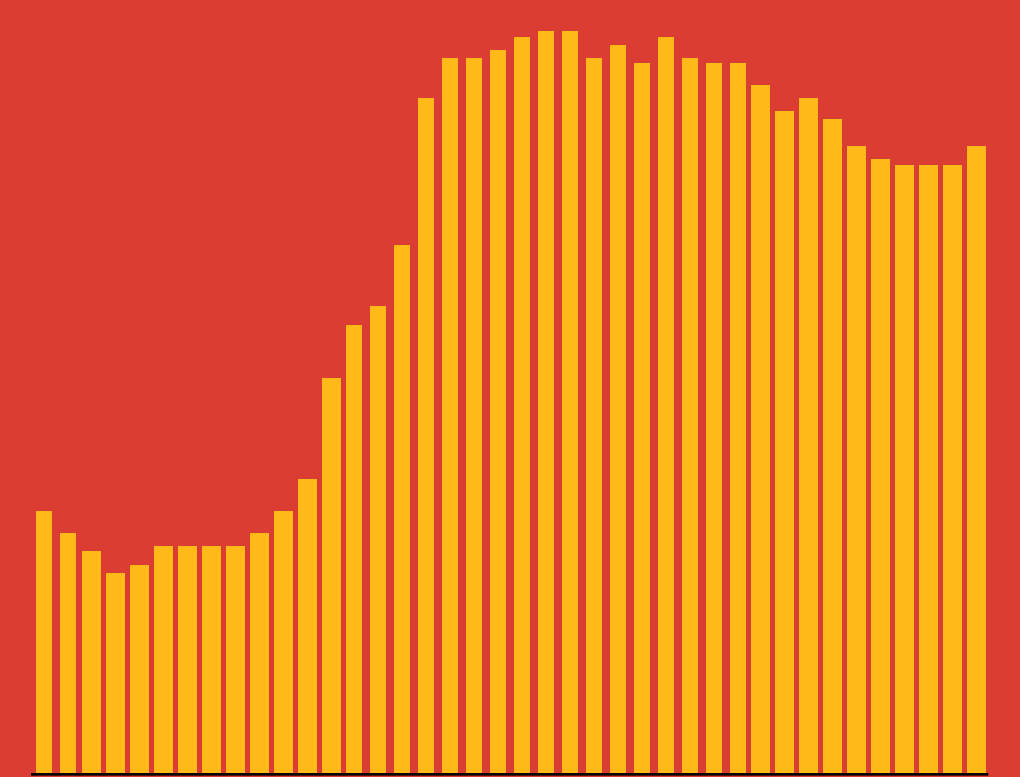
Down 3.8 pts. in last year



INDUSTRIAL

**9.4%**

Up 0.2 pts. in last year



RETAIL



**Office Market**

**764,000 SF**

Absorption in 2014

Highest since 2007 (2.1 M SF)



# Completions

Centennial Hills Center **60,000 SF**

Downtown Summerlin **200,000 SF**

Gramercy **200,000 SF**

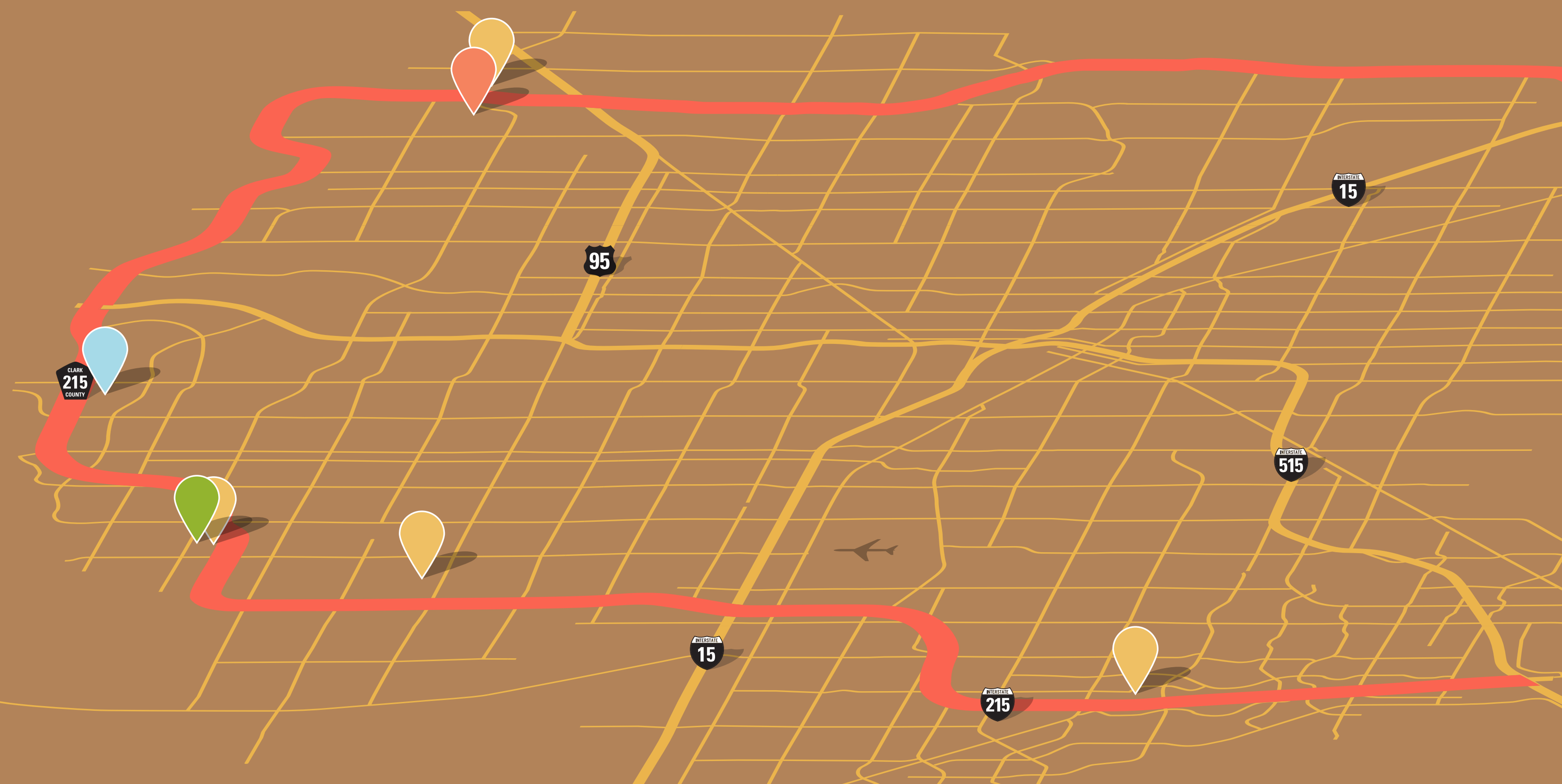
# Lease deals

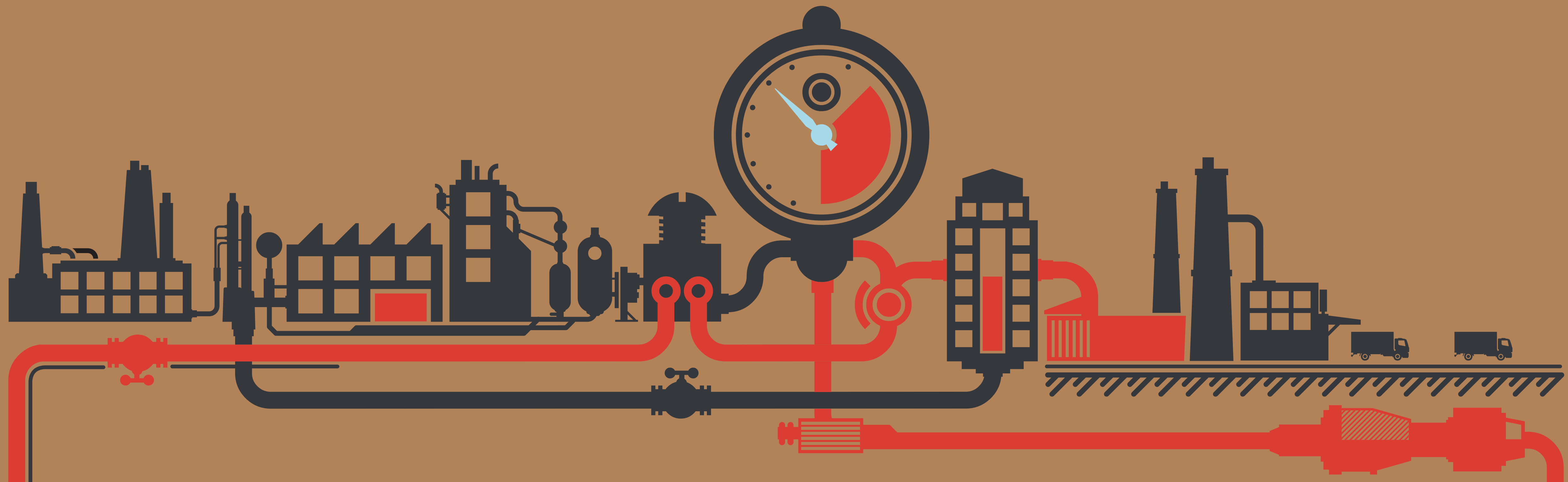
Asurion

Hakkasan

HMS Business

Barclays





# Industrial market

Availability of spaces  
with 50,000 SF+

# 2.8%

Source: Applied Analysis

Is traditional retail  
a dying breed?



**amazon**



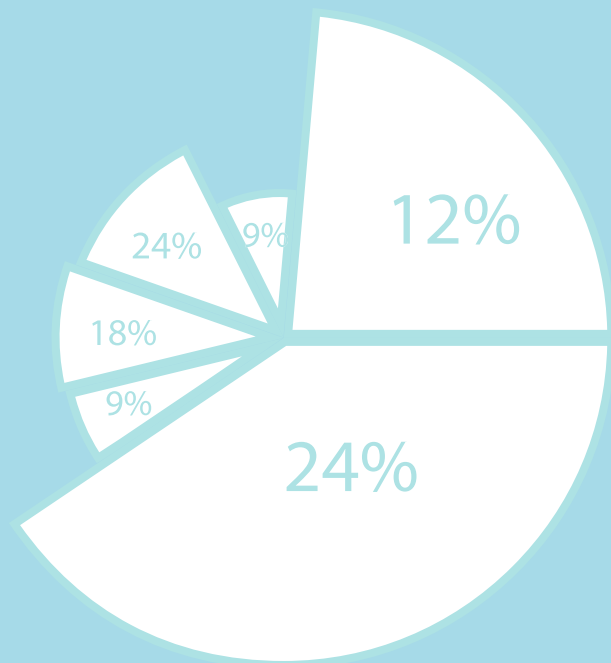
**\$819,000**

per acre

“The world’s greatest ghost town in waiting”



# THREATS & OPPORTUNITIES



**Economic Diversification**



**Housing**



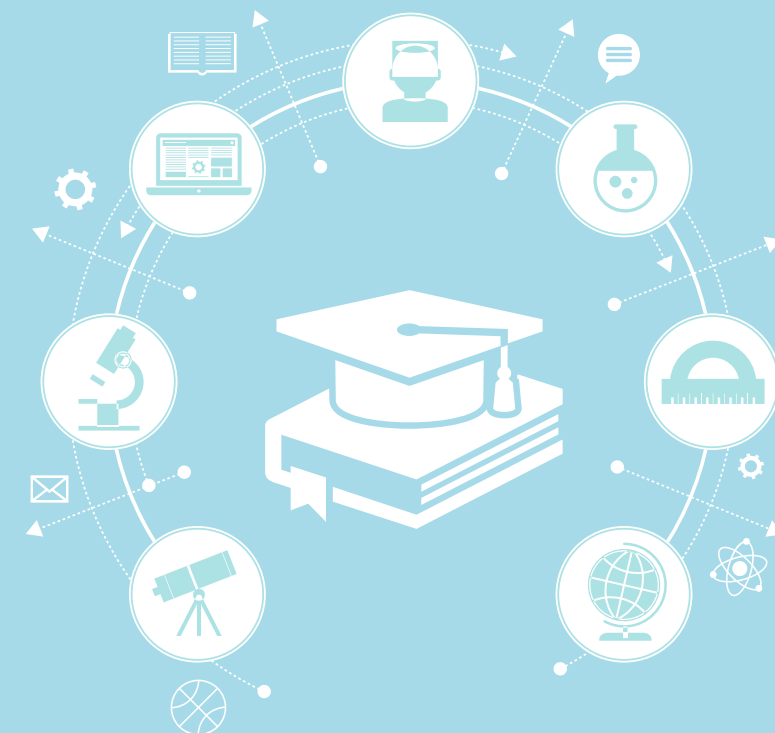
**Land Availability**



**Tax Policy**



**Fuel Prices**



**Education**



**Water Resources**



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