

Press Release

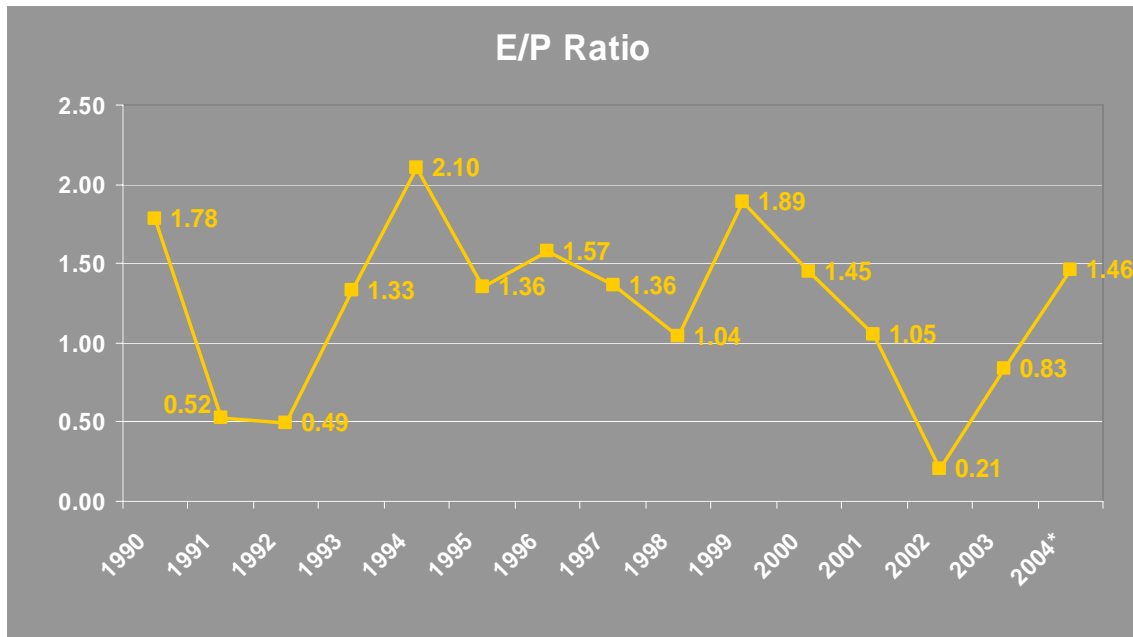
Employment to Permit Ratio

With year-over-year job growth increasing, the Clark County Employment/Permit (“E/P”) ratio reached **1.46** in October, 2004 from **.83** at the end of 2003. Employment grew by 47,500 during the 10-month period, while on the supply side 32,156 housing permits were issued. In essence, the valley’s housing market continues to break all records driven by strong economic fundamentals. The housing market is very strong.

The October 2004 ratio was more than twice the equilibrium benchmark of **1.26** (total employment divided by total households). Because the E/P ratio is an indication of employment growth compared to housing permits issued, other demand factors, such as low mortgage rates, are not directly accounted for. We expect the valley’s E/P ratio to continue to rise in the coming months as the housing market continues to move from low mortgage rate-driven demand to employment growth-driven demand.

According to John Restrepo, Principal of Restrepo Consulting Group LLC, “the E/P ratio is the ratio of annual employment gain to total building permits over the same period. This ratio is particularly effective at the County level, because employment and permit data are indicative of economic and development activity. This ratio is a commonly accepted method of measuring the housing market’s demand/supply balance. The E/P ratio should be compared to an area’s overall employment/household ratio.”

Restrepo also stated that “When employment growth is negative, the E/P ratio must be interpreted differently. A decline in residential permitting activity (a positive sign during periods of negative job growth) will cause the ratio to drop further, while an increase in permitting activity (a negative sign during periods of negative job growth) will cause the ratio to move back toward zero. In essence, a reverse reading of the E/P ratio is necessary when employment growth is negative.”



Anticipated Growth: 2005

“We are expecting to see continued economic and population growth through 2005 as the national and western region economies improve, and the Las Vegas economy remains strong. Accordingly, we project the following growth for 2005.”

Gross Personal Income: 7%

Gross Gaming Revenues: 5%

Wage & Salary Employment: 4%

Population Growth: 4%

Single Family Permits: 1.5%

Resort Industry Expansions Through 2008

“According to data we have obtained from public and private sources, there is currently \$3.8 billion of resort properties under construction around the valley. There is another \$13.5 billion of planned resort projects, including MGM Mirage’s \$4 billion (phase 1) City Center project on the Strip.”

“We anticipate that these projects, if all built, will introduce 13,425 timeshares and condo-hotel units as well as 47,000 hotel rooms and 1.3 million square feet of convention space into the market.”

“The potential direct jobs generated would conservatively be 70,000 during the next five to seven years.”