

Las Vegas Economic & Market Briefing



February 23, 2010

Prepared by:



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Economic Setting: National



Some Important National Indicators

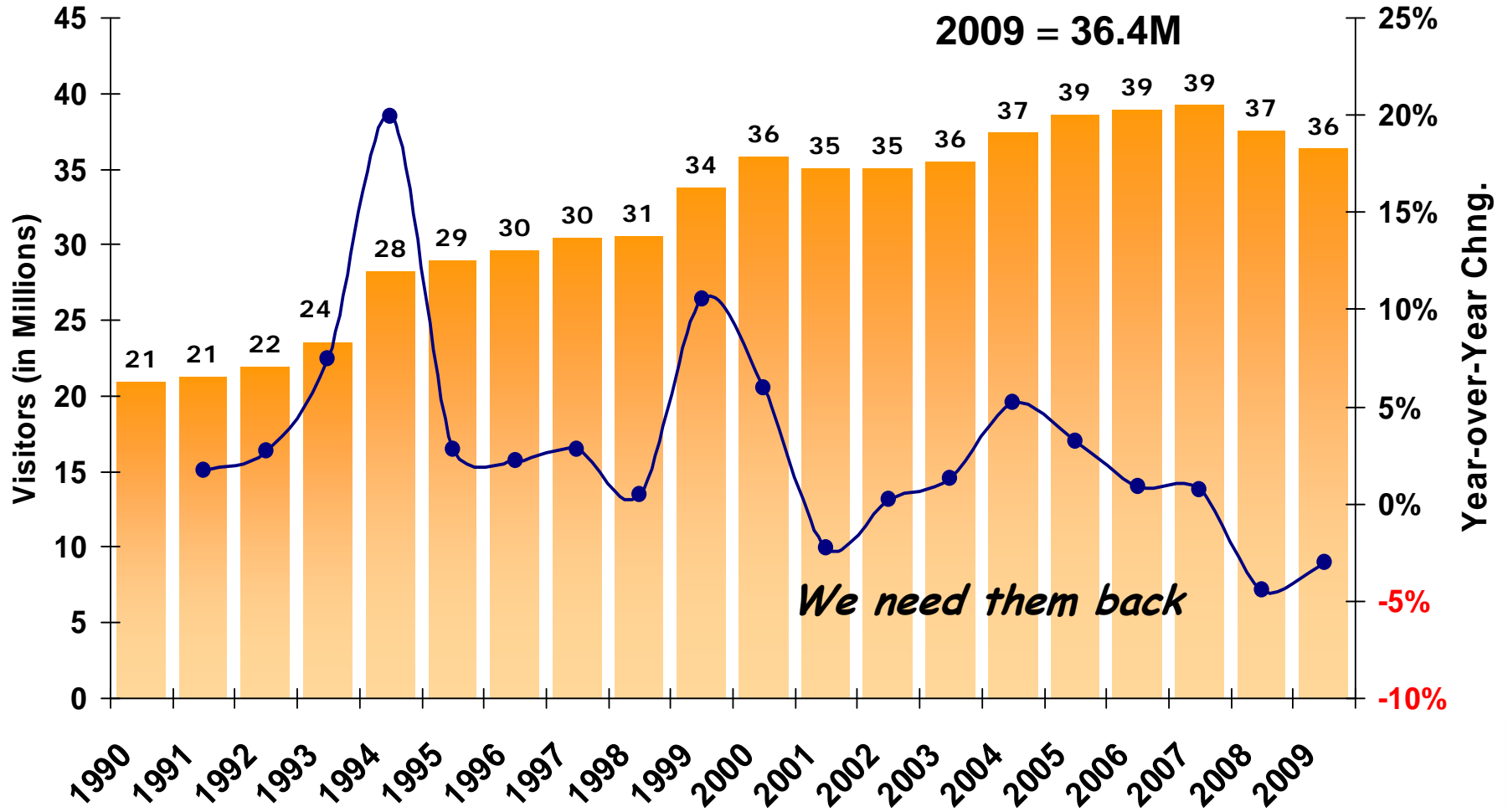
Indicator		Pd. Ending	% Change From Prev. Pd.	% Change Same Pd. Prev. Yr.
1	Non-Farm Employment	Jan-10	0.0%	-3.0%
2	Gross Domestic Product	Q4, 2009	1.4%	0.1%
3	Manufacturing Index	Jan-10	6.4%	64.0%
4	Non-Manufacturing Index	Jan-10	1.4%	17.0%
5	Consumer Confidence Index	Jan-10	4.3%	49.5%
6	Consumer Sentiment Index	Jan-10	2.6%	21.6%
7	Personal Savings Rate	Dec-09	6.7%	2.0%
8	Semiconductor Index	Jan-10	-12.0%	51.8%
9	Case-Shiller Housing Price Index	Nov-09	-0.3%	-5.3%
10	Private Sector Hours Worked	Jan-10	10.6%	0.0%
11	Consumer Credit	Dec-09	-0.07%	-4.1%

3

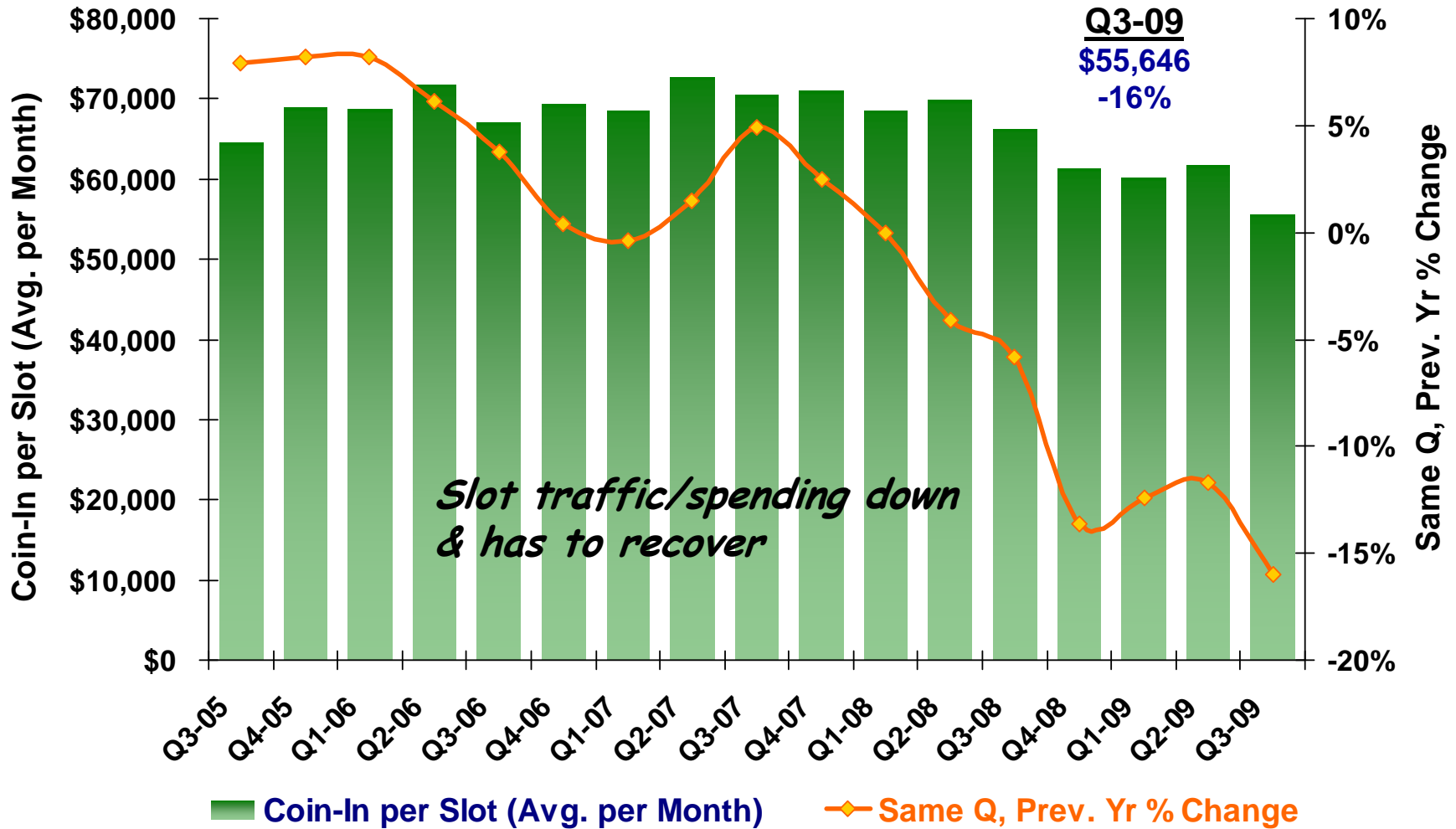
Economic Setting: Las Vegas



Las Vegas Valley Visitor Volume: 1990 – 2009

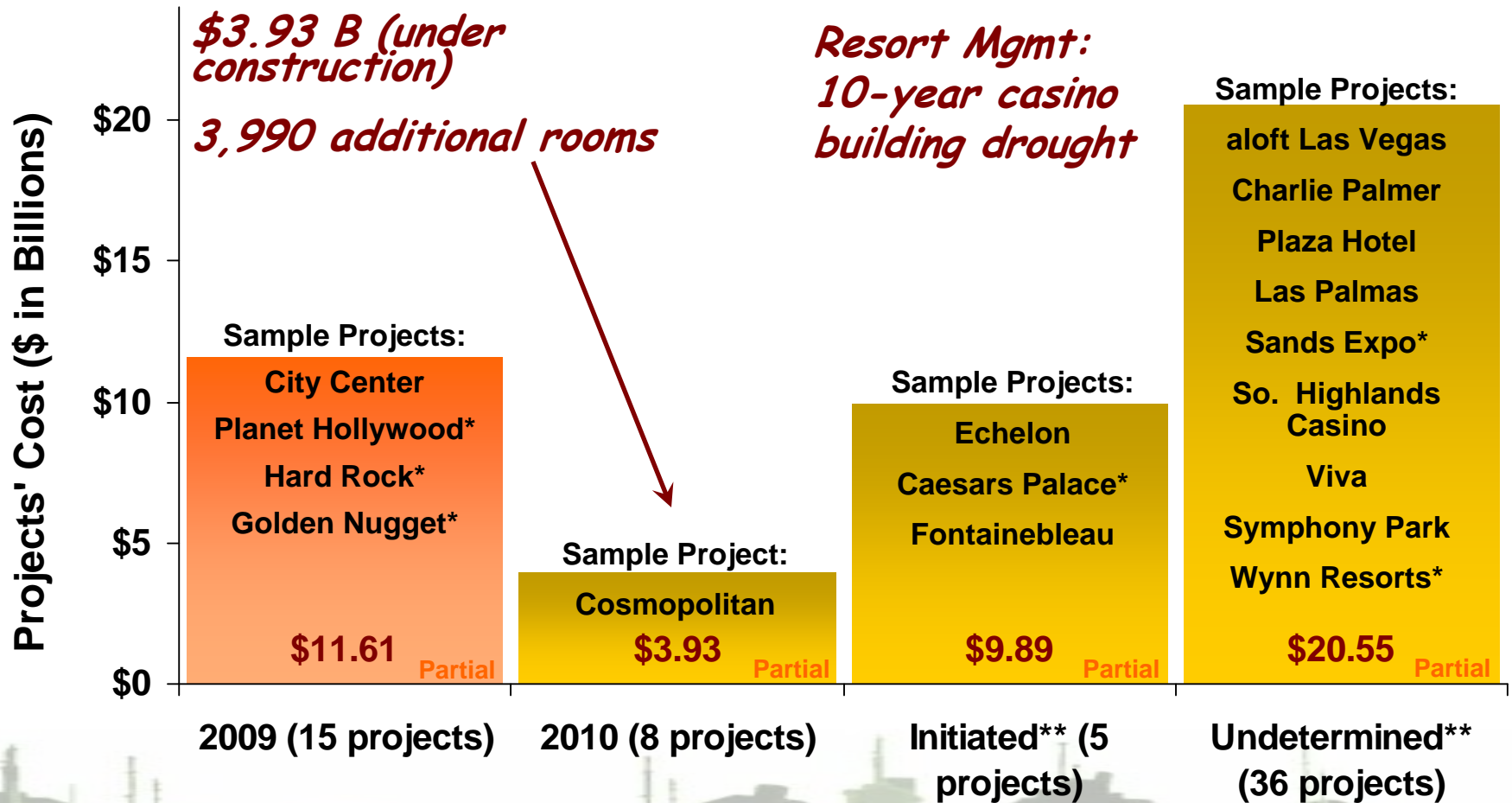


Clark County Gaming Activity – Coin-In per Slot (Avg. per Month): Q3, 2005 - Q3, 2009

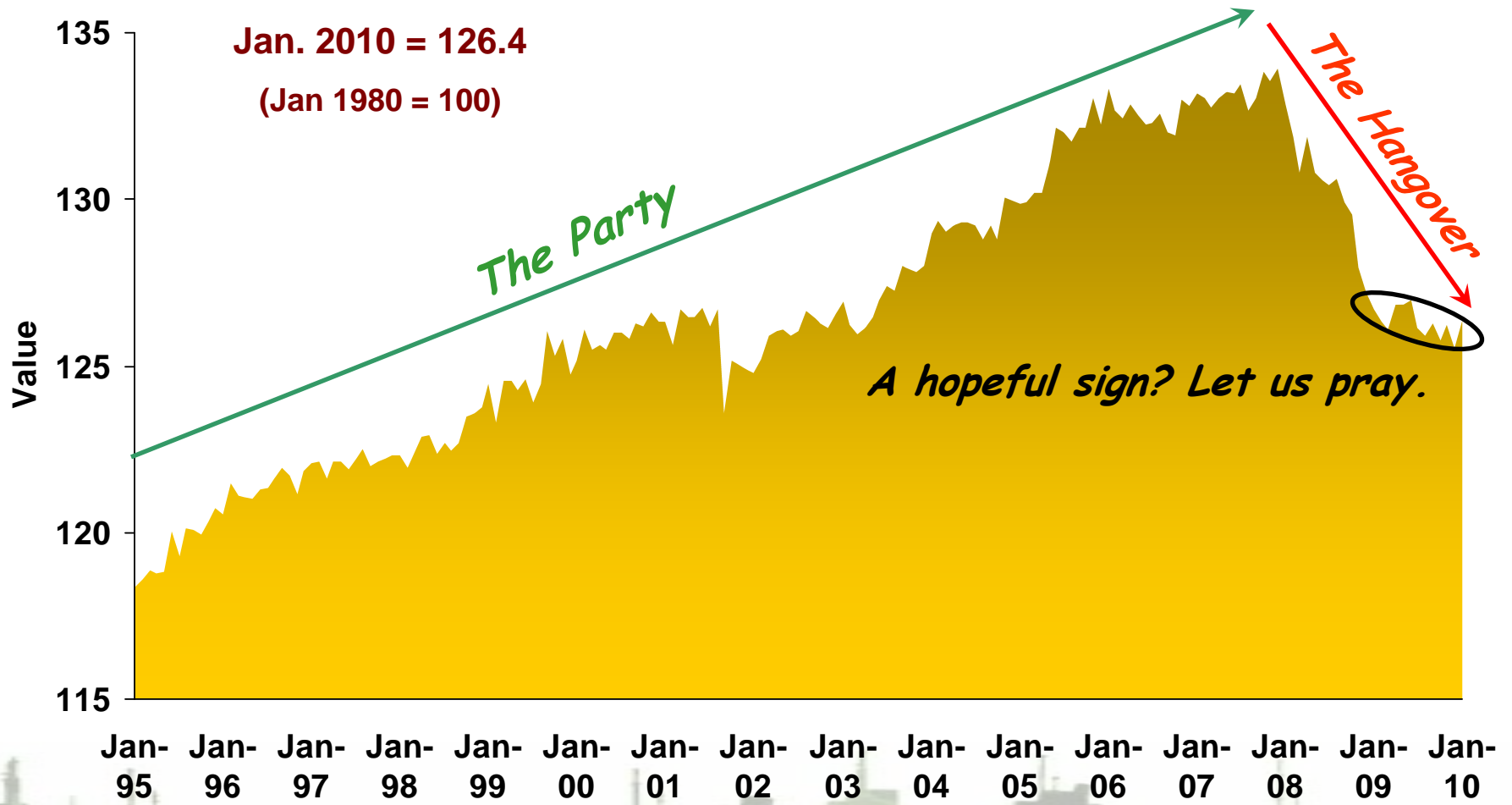


Resort Industry Investment

Projects' Cost (\$B) by Scheduled Completion Year: 2009 – 2010, Initiated & Undetermined

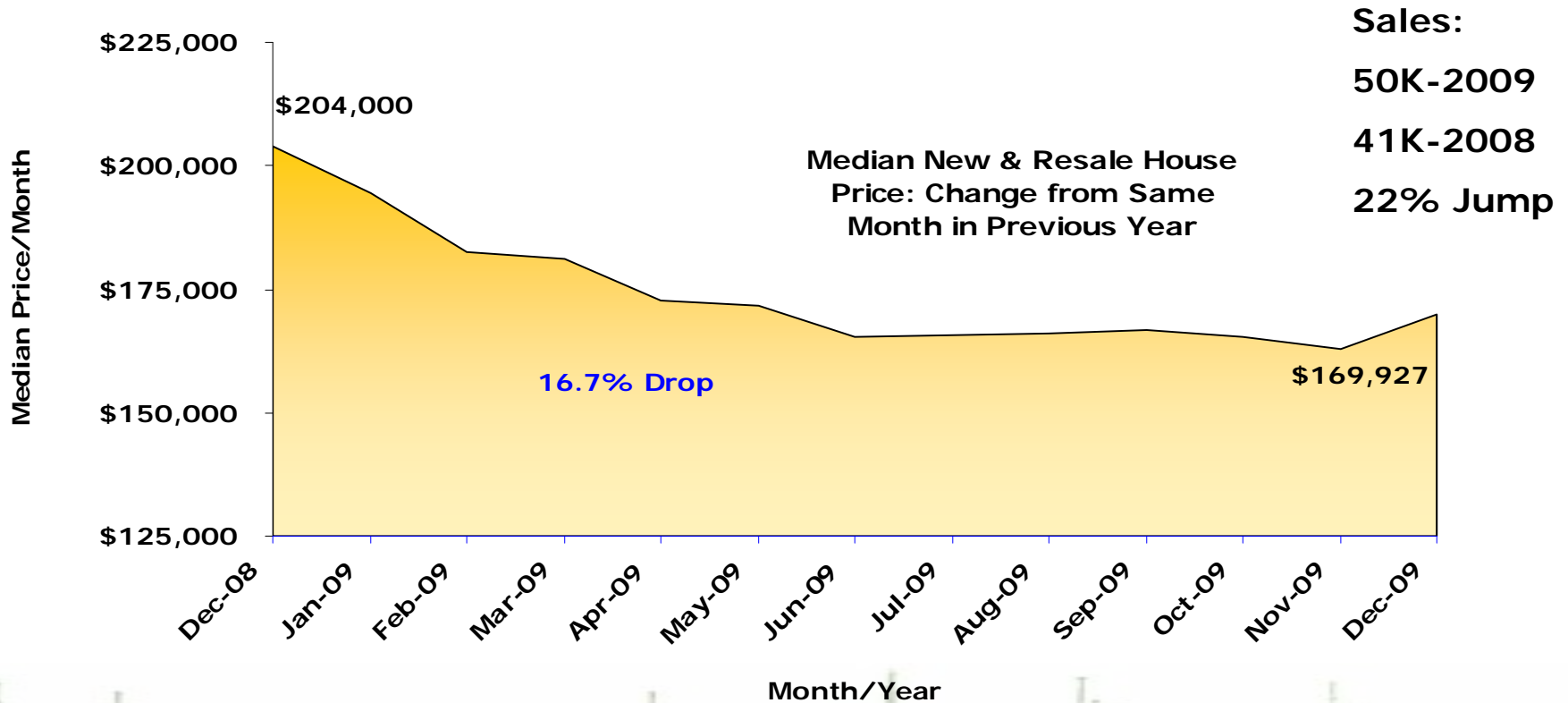


Southern Nevada Index of Leading Economic Indicators: 1/1995 – 1/2010



Housing Market Recovery is one major key

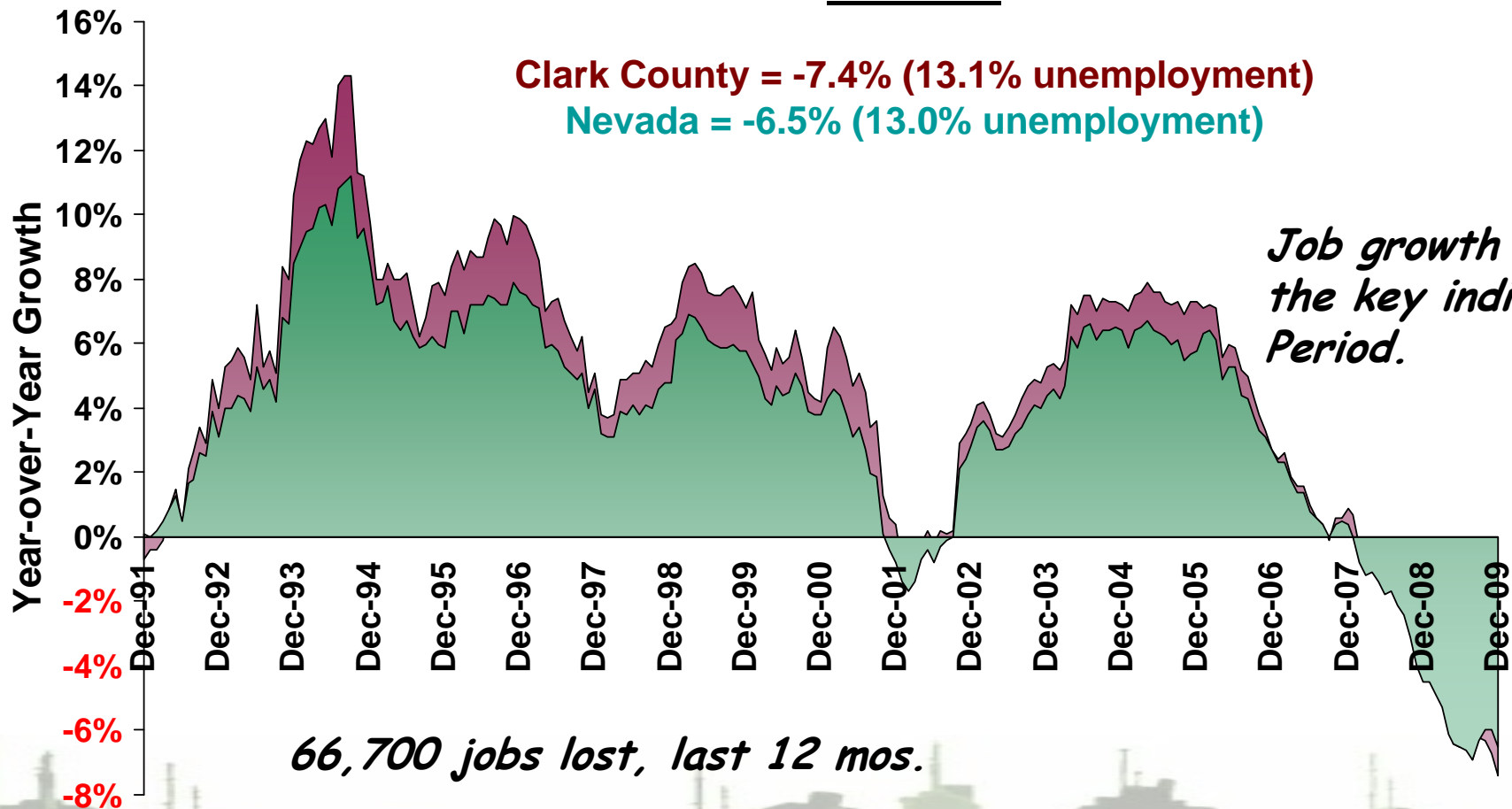
Median house price in Clark County declines again in December, but at slower rate



The other key is job growth

Clark County & Nevada Job Growth: 12/1991 – 12/2009

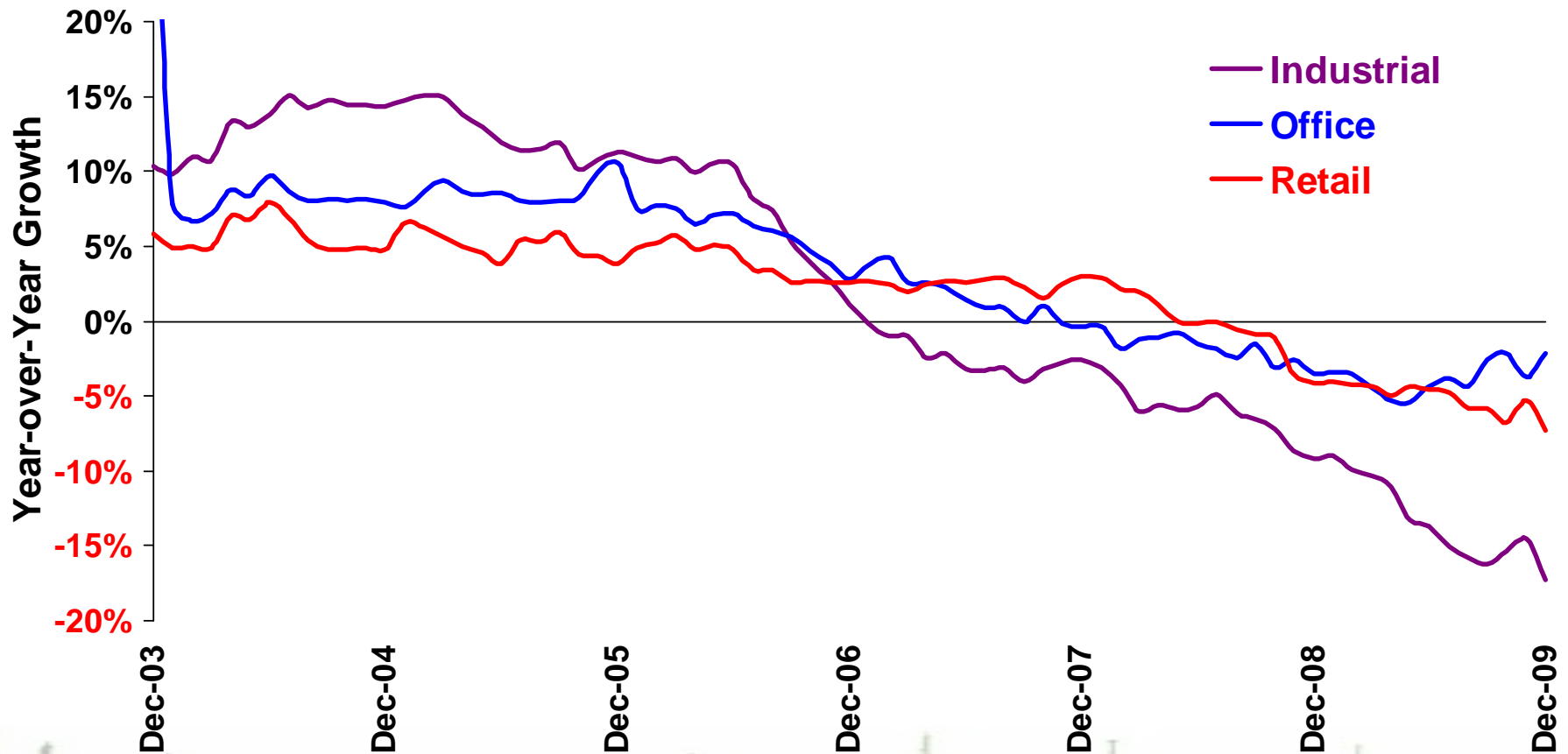
Dec. 2009



66,700 jobs lost, last 12 mos.

79,000 more jobs needed to have 5% unemployment

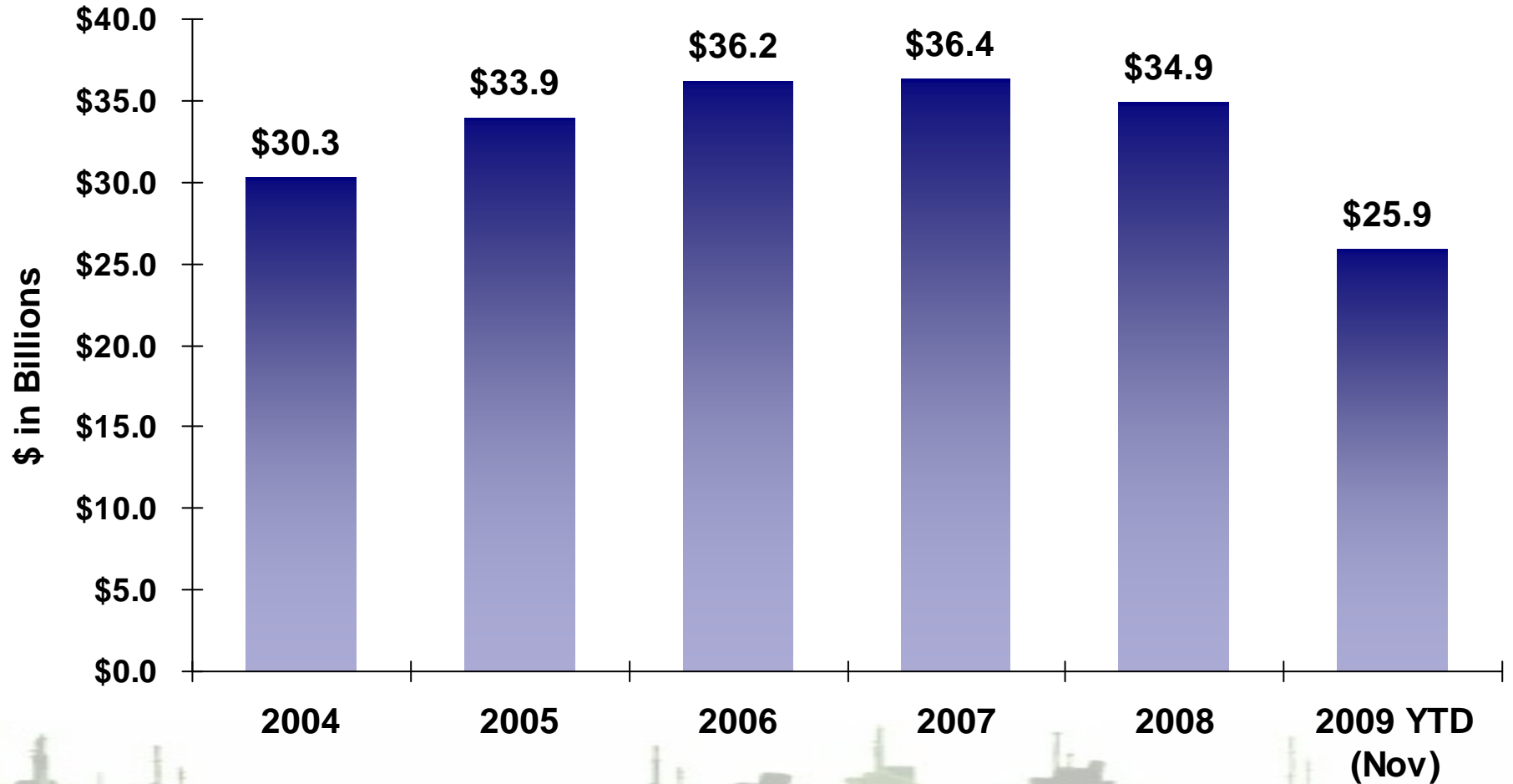
Industrial, Office and Retail-related Employment*: 12/2003 – 12/2009



Industrial-related employment: Construction, Manufacturing and Transportation & Warehousing industries. Office: Financial Activities, Professional & Business Services and Health Care & Social Assistance. Retail: Retail Trade.

Source: Bureau of Labor Statistics.

Clark County Taxable Retail Sales: 2004 –2009 YTD (Nov)

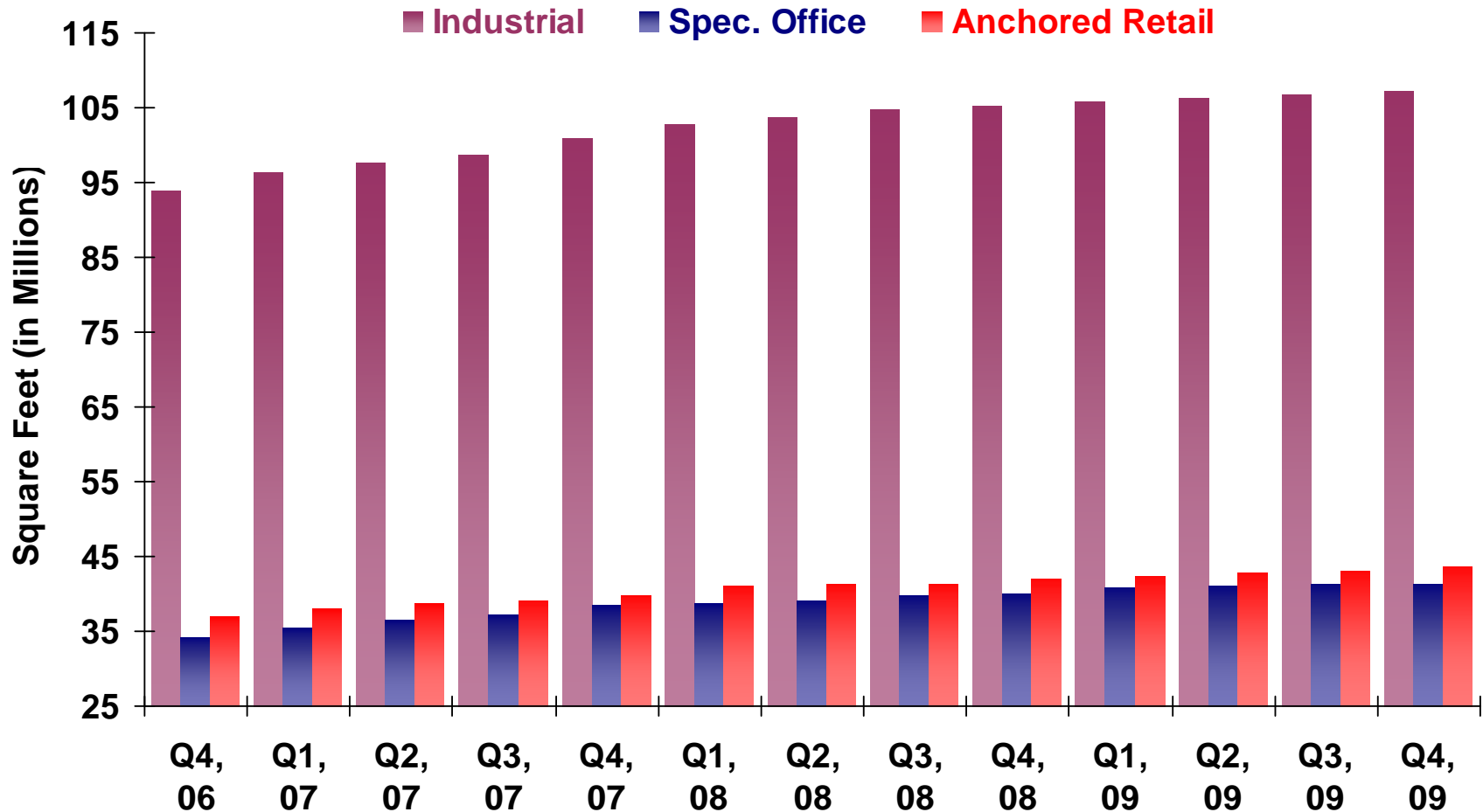


Las Vegas Commercial Markets



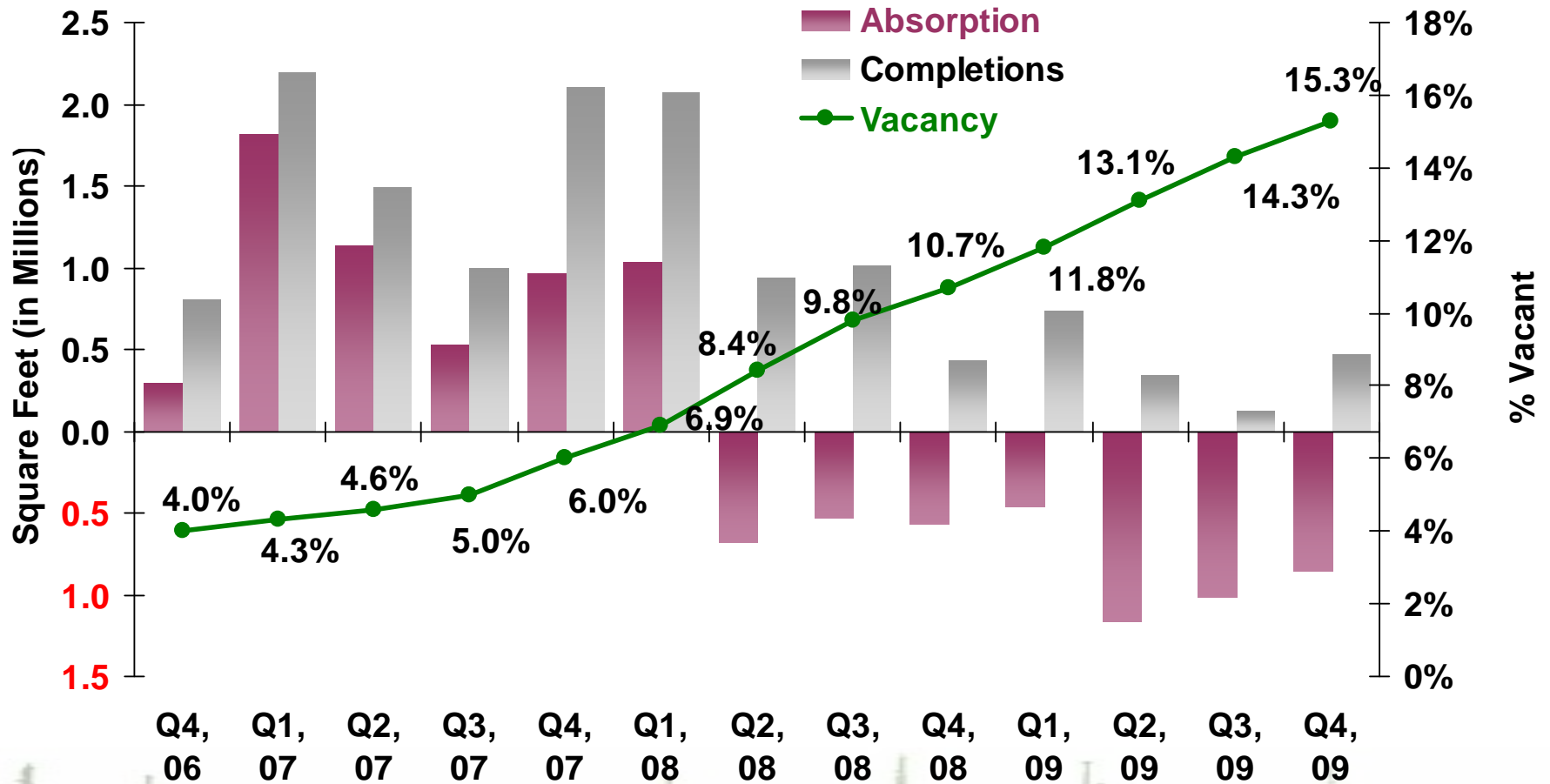
Las Vegas Valley Commercial Inventory

Spec. Office & Anchored Retail Space: Q4, 06 – Q4, 09

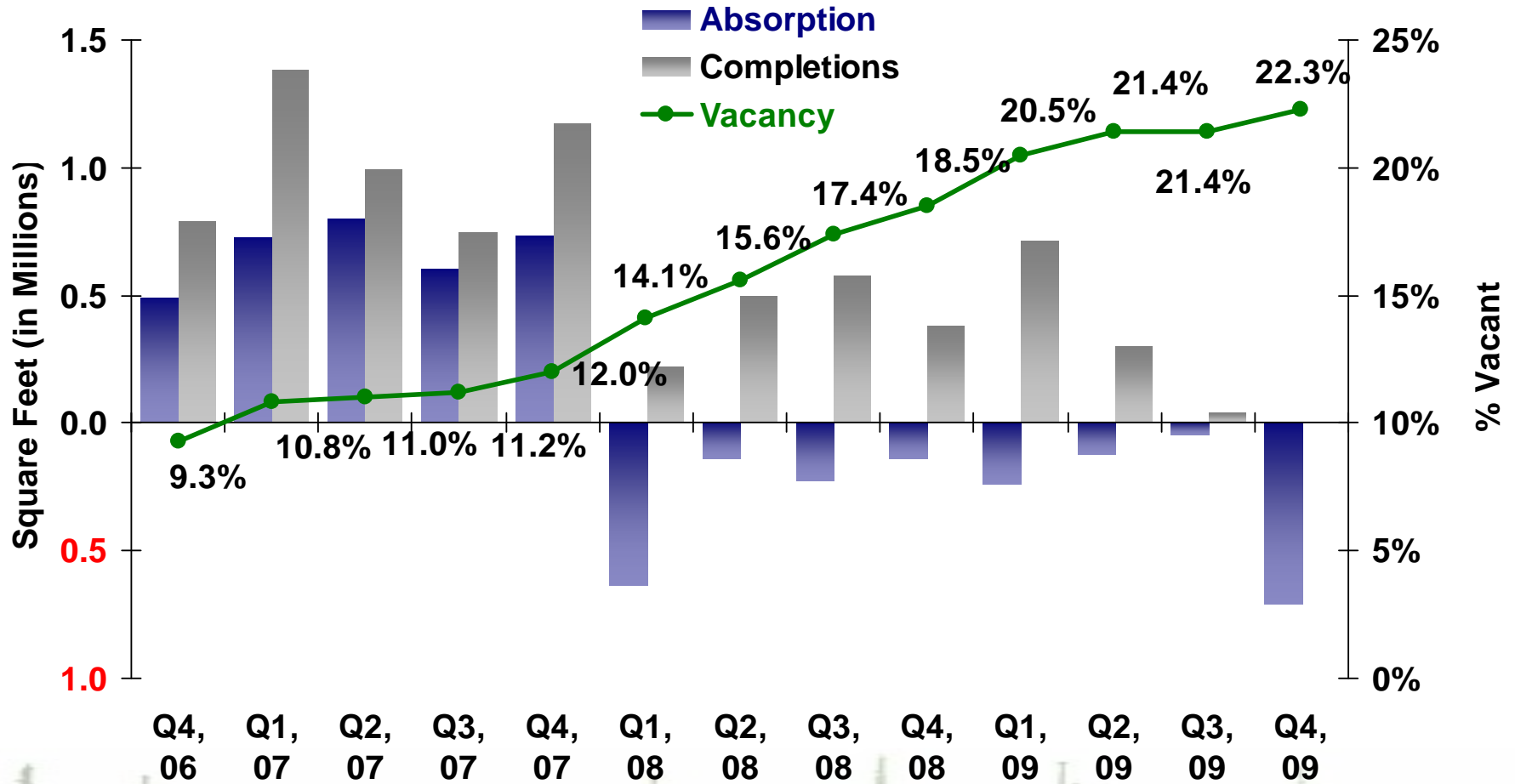


Las Vegas Valley Industrial Market

Vacancy, Absorption & Completion Trends: Q4, 06 – Q4, 09

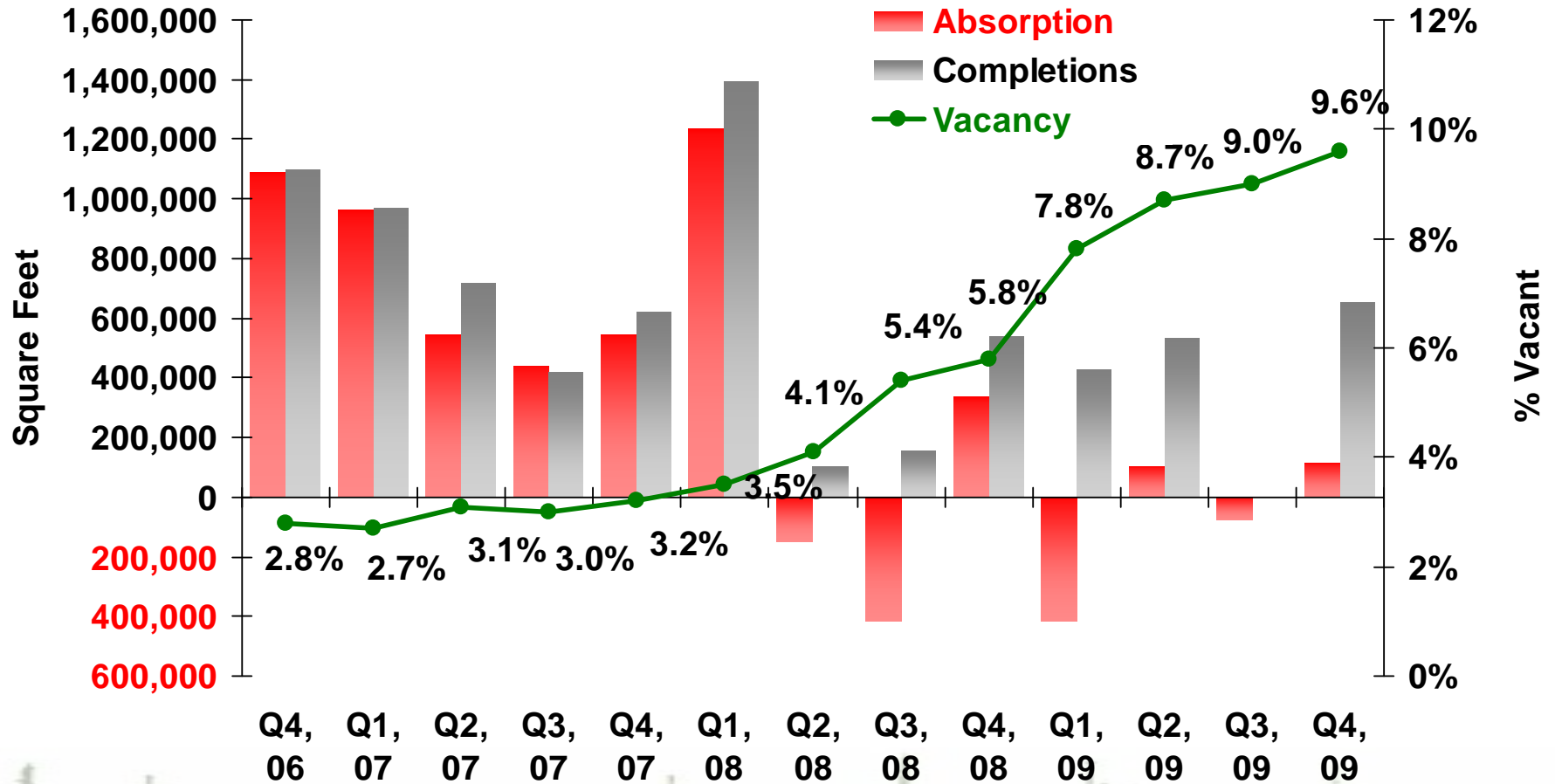


Las Vegas Valley Spec. Office Market Vacancy, Absorption & Completion Trends: Q4, 06 – Q4, 09



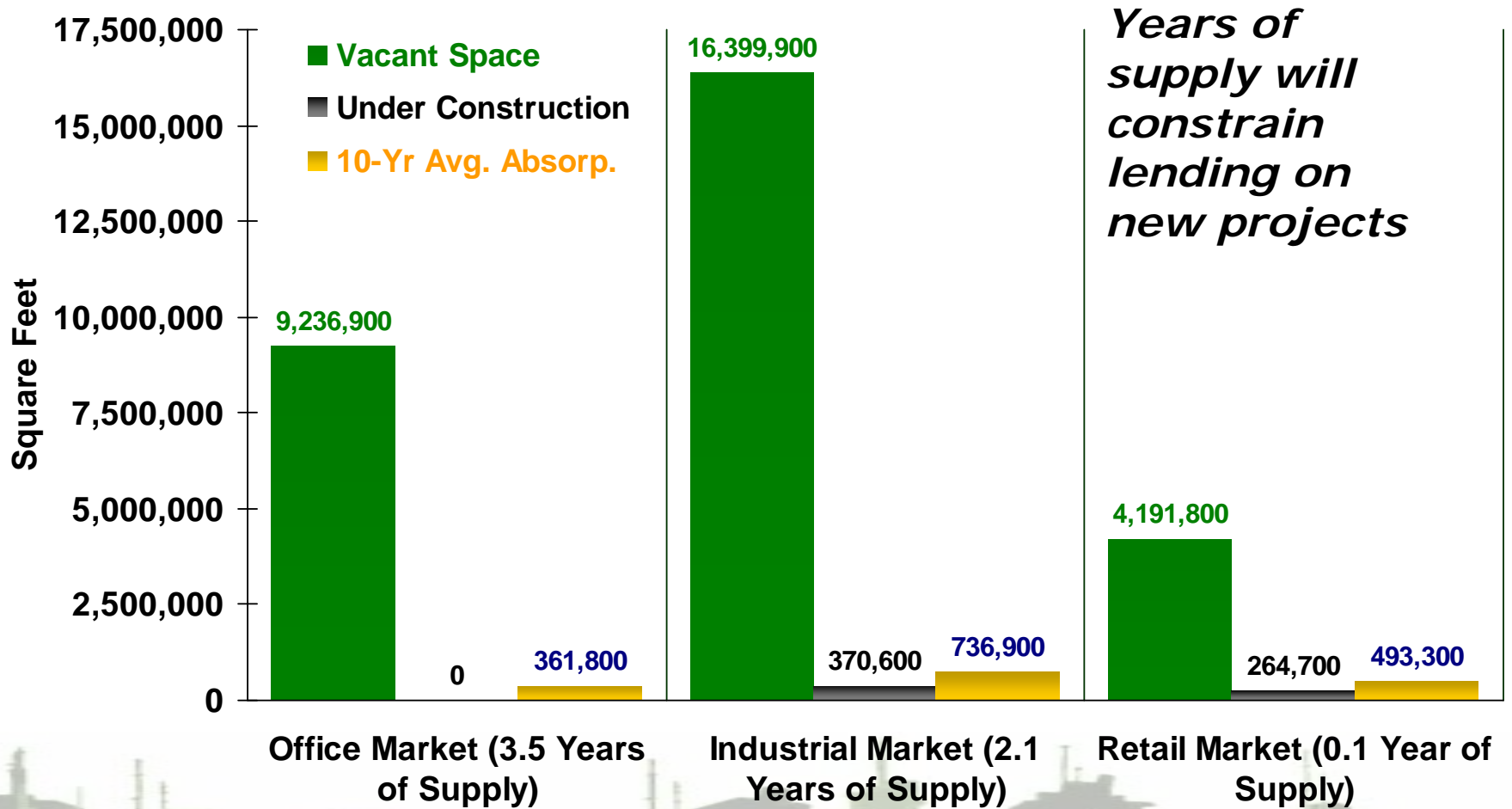
Las Vegas Valley Anchored Retail Market

Vacancy, Absorption & Completion Trends: Q4, 06 – Q4, 09



Years of Supply until Stabilized Rate

(Based on Existing Vacant & Under-Construction space, & 10-year Average Absorption)



Conclusions



Conclusions & Observations

- National recovery will be slow and plodding
- Specter of “job-less” recovery remains, unemployment rate will remain in single digits to low double digits for at least 3 years.
- LV commercial markets: Tenant & buyers are kings for several years
- Sustained national consumer confidence + debt reduction + discretionary spending = LV housing + job recovery = LV ECONOMIC RECOVERY (defined as at least 6 mos. of improvements)
- State & local government budgets wont return to pre-recession peak for at least 5 years
- Last but not least, there are no magic bullets, just fundamentals: education leading to work force quality & diversification leading to economic development

So when is the likely start of a sustained recovery in Vegas?

2012



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