

# *Southern Nevada Economic Briefing*

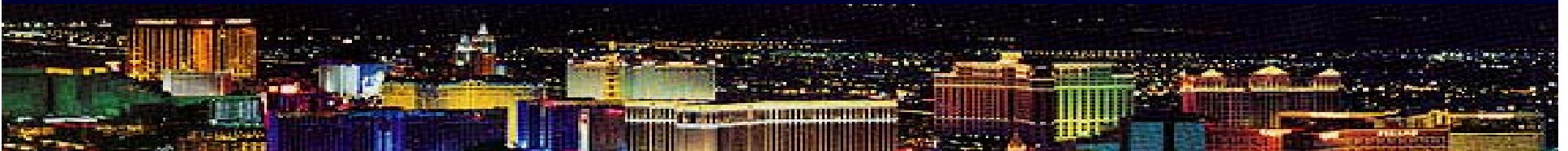
**NAIOP Bus Tour  
October 2, 2009**

RESTREPO  
CONSULTING  
GROUP LLC



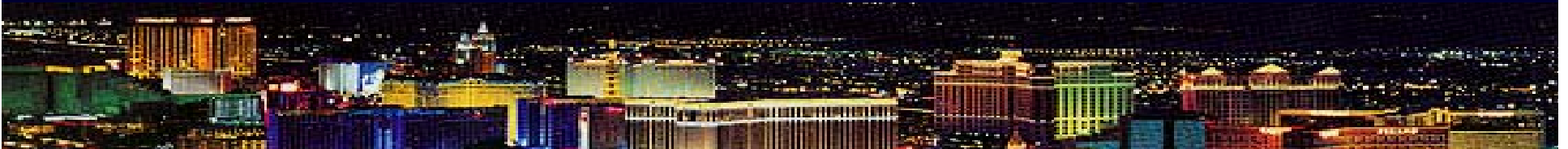
# *The National Economy*

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# The Great Recession

- Only two positions today: “cash or fetal”
- Recession in full swing  
*Finally most market players are at acceptance stage*
- The culprits  
*Real estate asset collapse, cheap & easy credit, consumer confidence/spending, debt loads*
- What's next?  
*Are we at bottom or is it just “Premature Exhilaration”?*

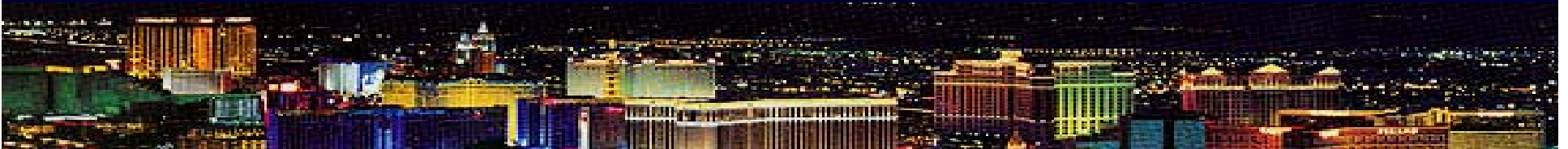


# *National Indicators*



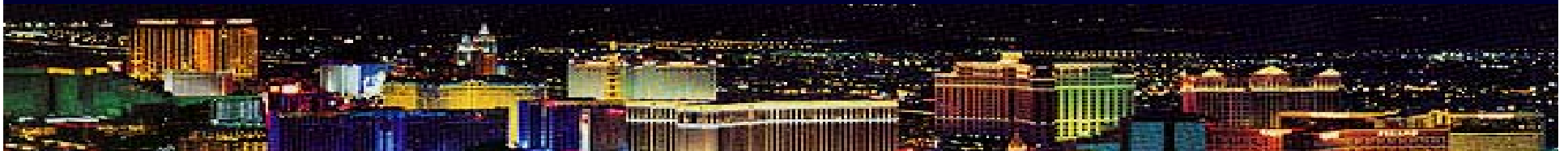
## Some Important National Indicators

- Length of Recession: 22 months (Dec. 2007 to Sep. 2009)
- Change in GDP in current dollars: -2.39% (Q2, 2008 = \$14,497.8 Billion. Q2, 2009 = 14,151.2 Billion)
- ISM PMI: 7.3% (Aug-08 = 49.3. Aug-09 = 52.9)
- Consumer Confidence Index: -13.5% (Sep-08 = 61.40. Sep-09 = 53.10)
- Personal Saving Rate: 61.5% (Jul. 2008 = 2.6. Jul 2009 = 4.2)
- DJIA: -10.2% Y-o-Y (9/1/2009 = 9,742. 9/2/2008 = 10,851) and 37.9% from low (2/2/2009 = 7,063)

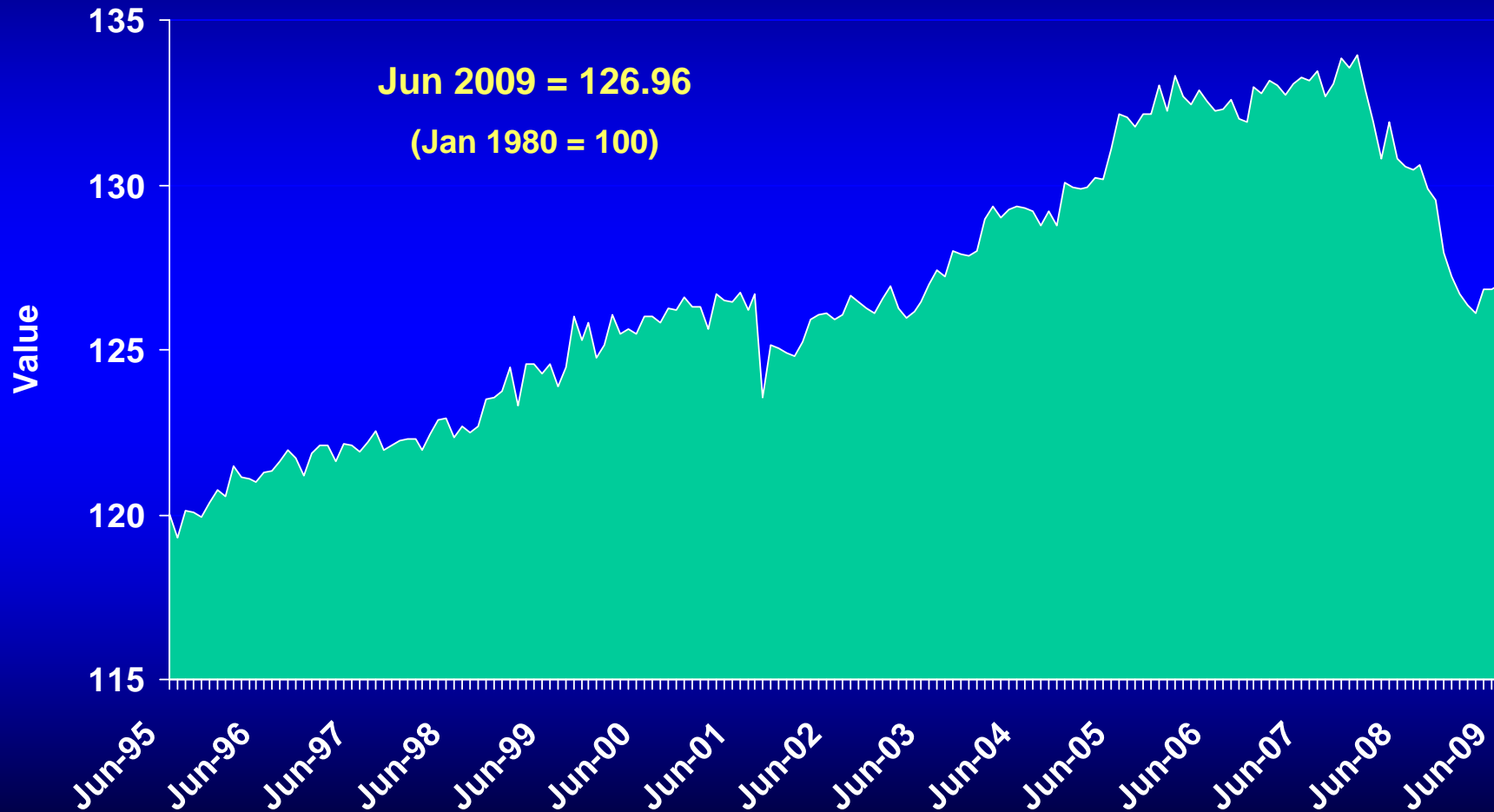


# *The Clark County & Nevada Economies*

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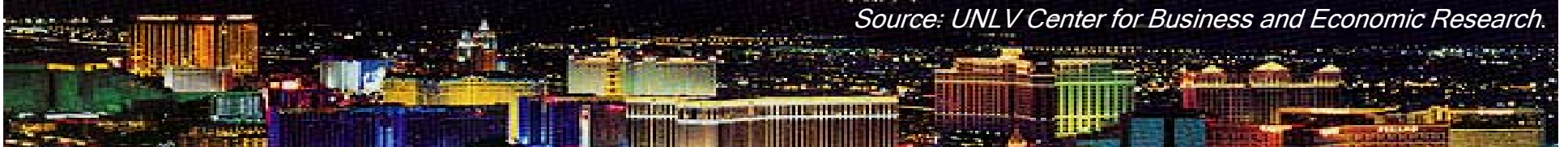


# Southern Nevada of Leading Economic Indicators: 6/1995 – 6/2009

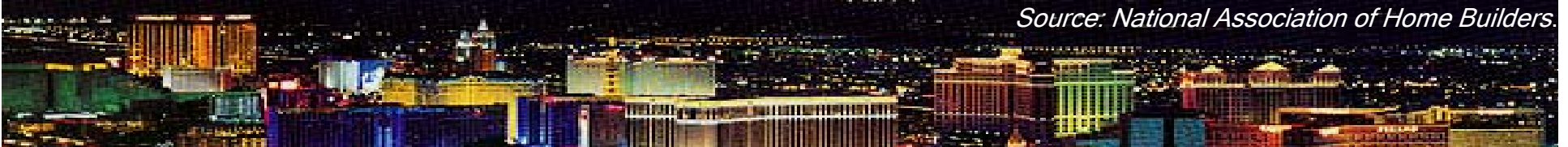
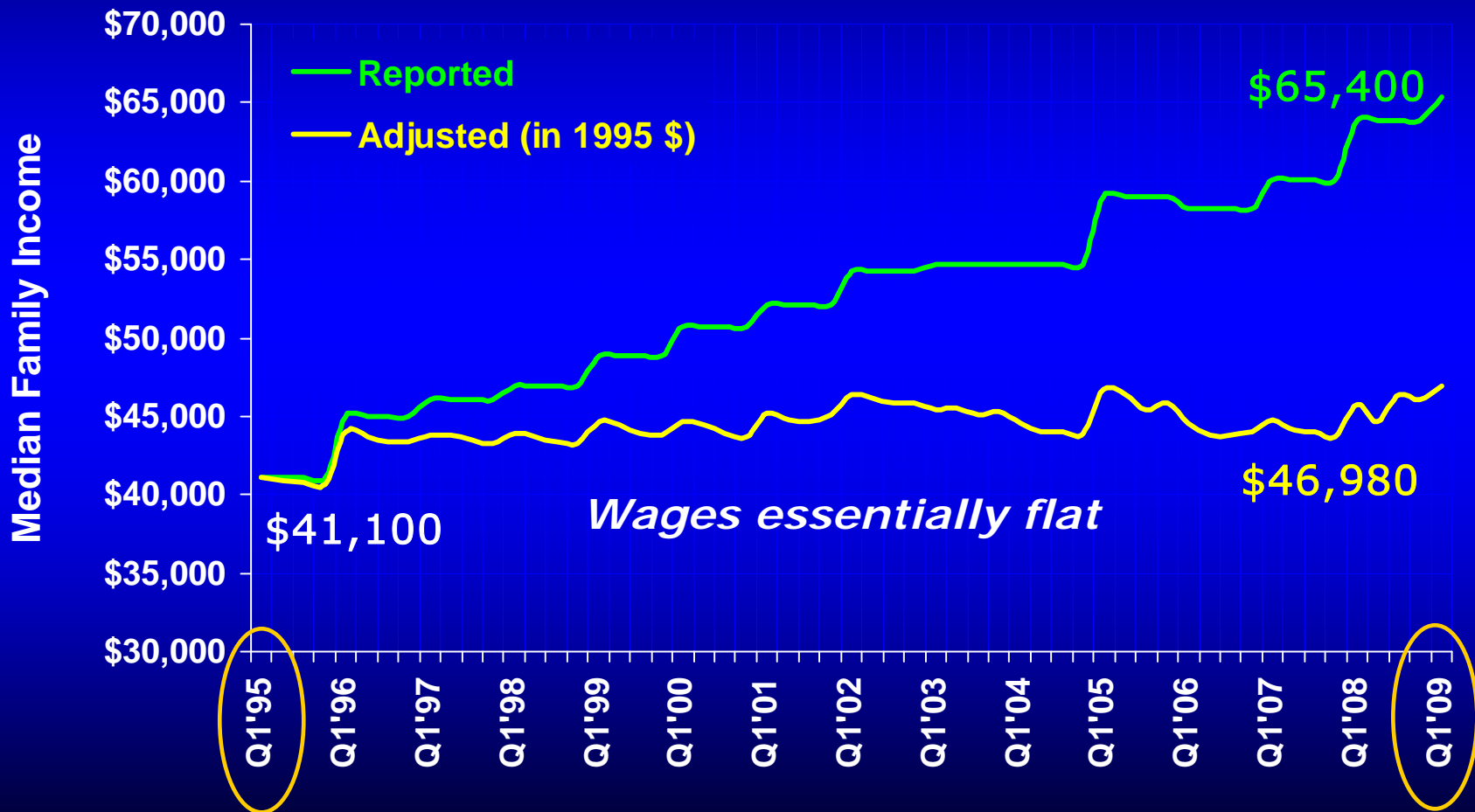


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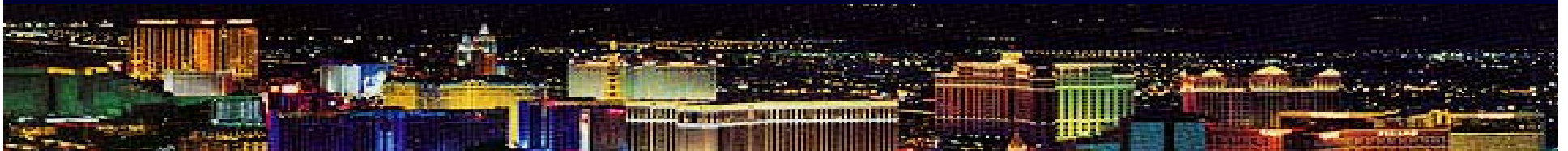
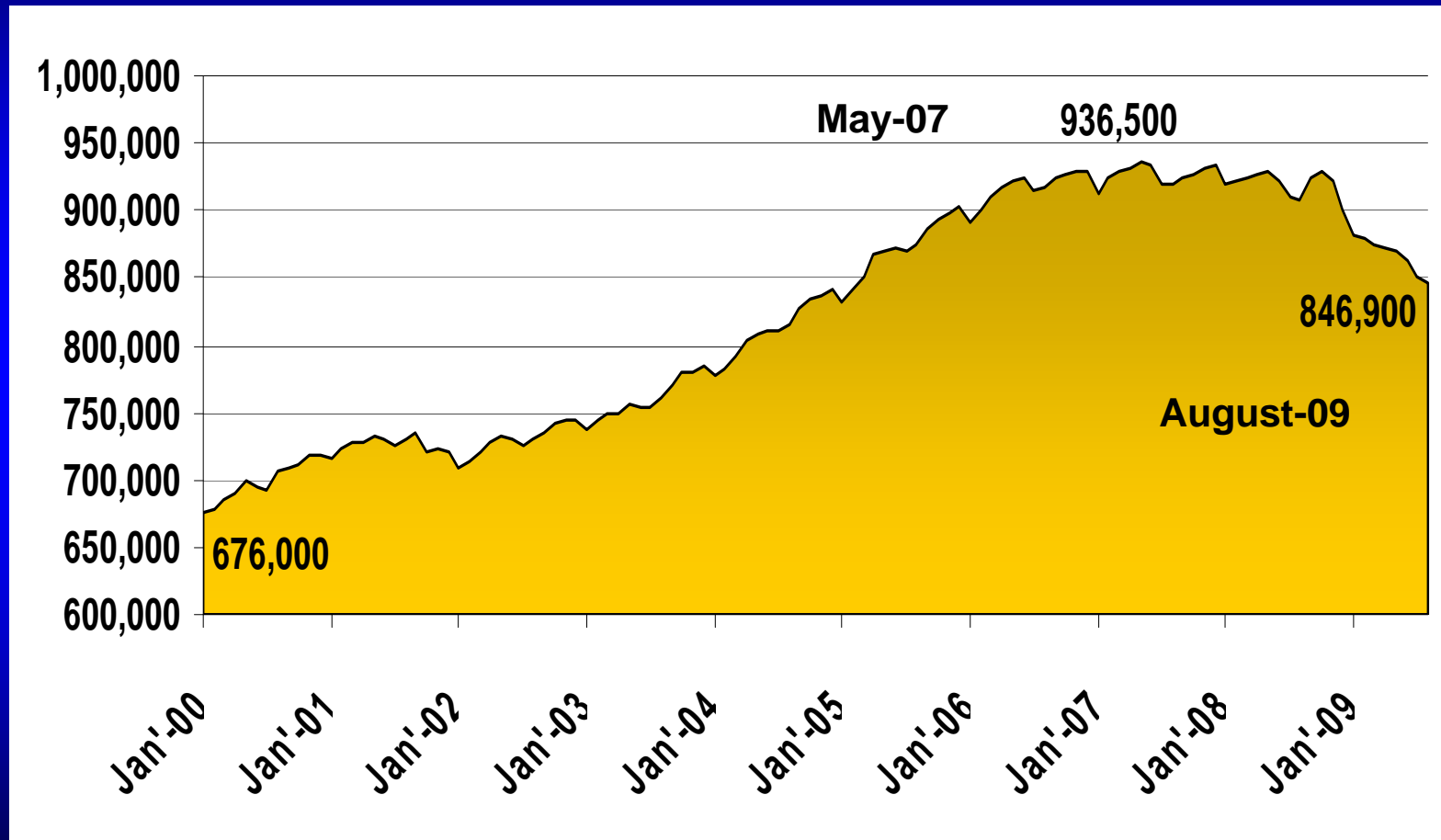
Source: UNLV Center for Business and Economic Research.



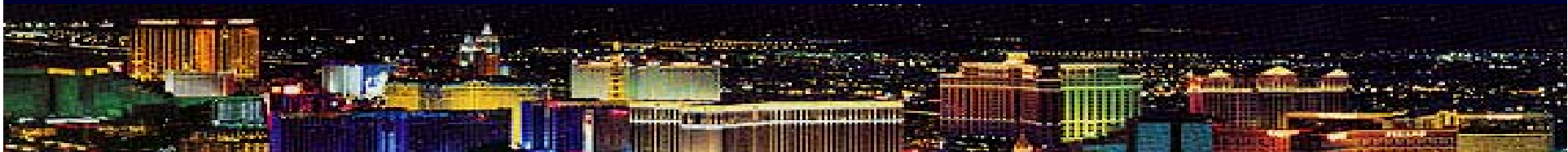
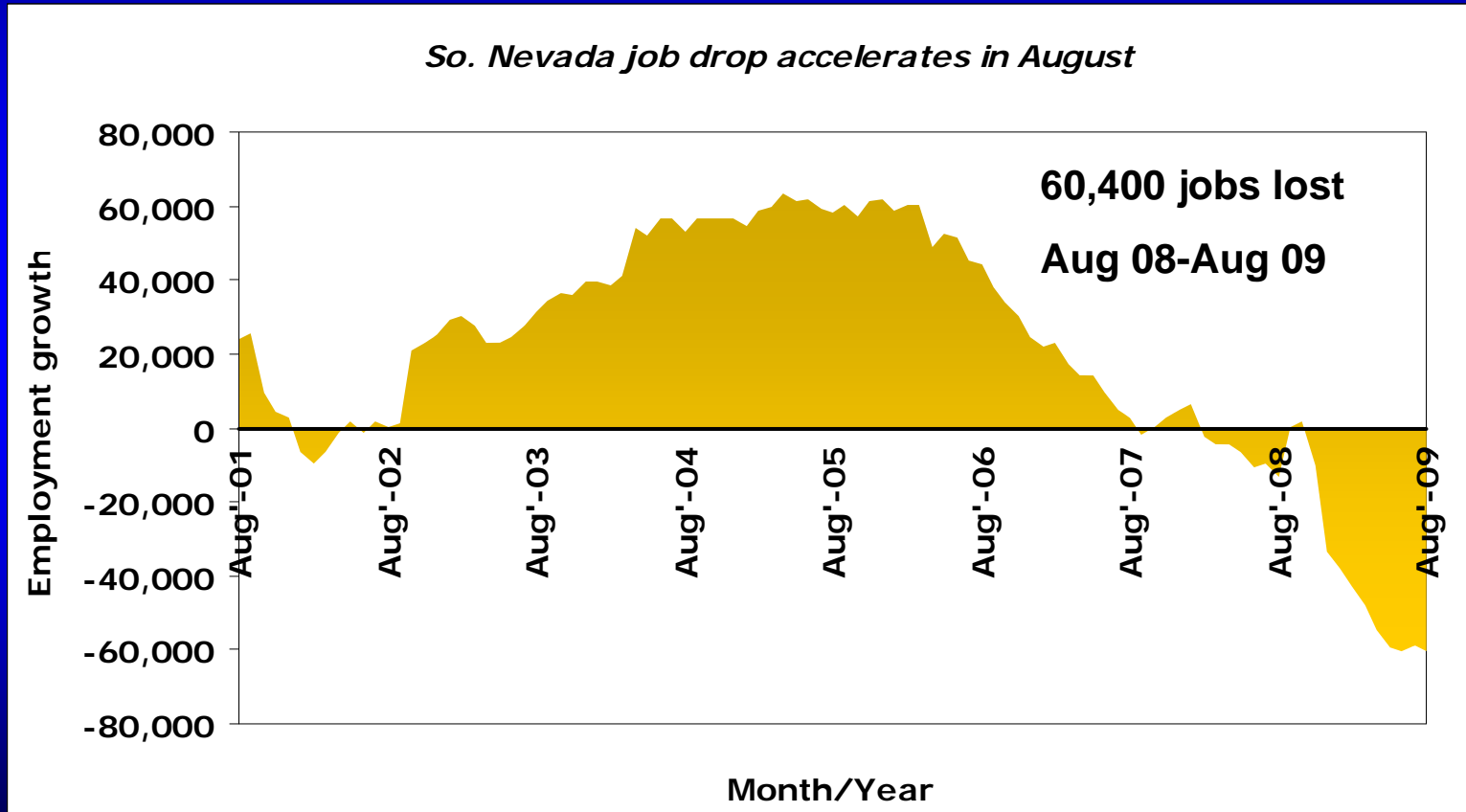
# Clark County Median Family Income Reported vs. Inflation-Adjusted (in 1995 \$): Q1, 1995 – Q1, 2009



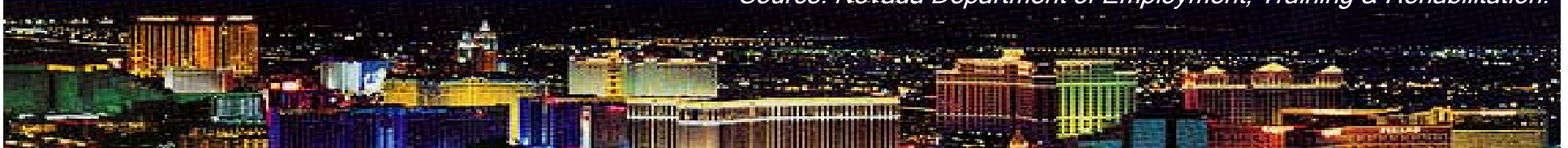
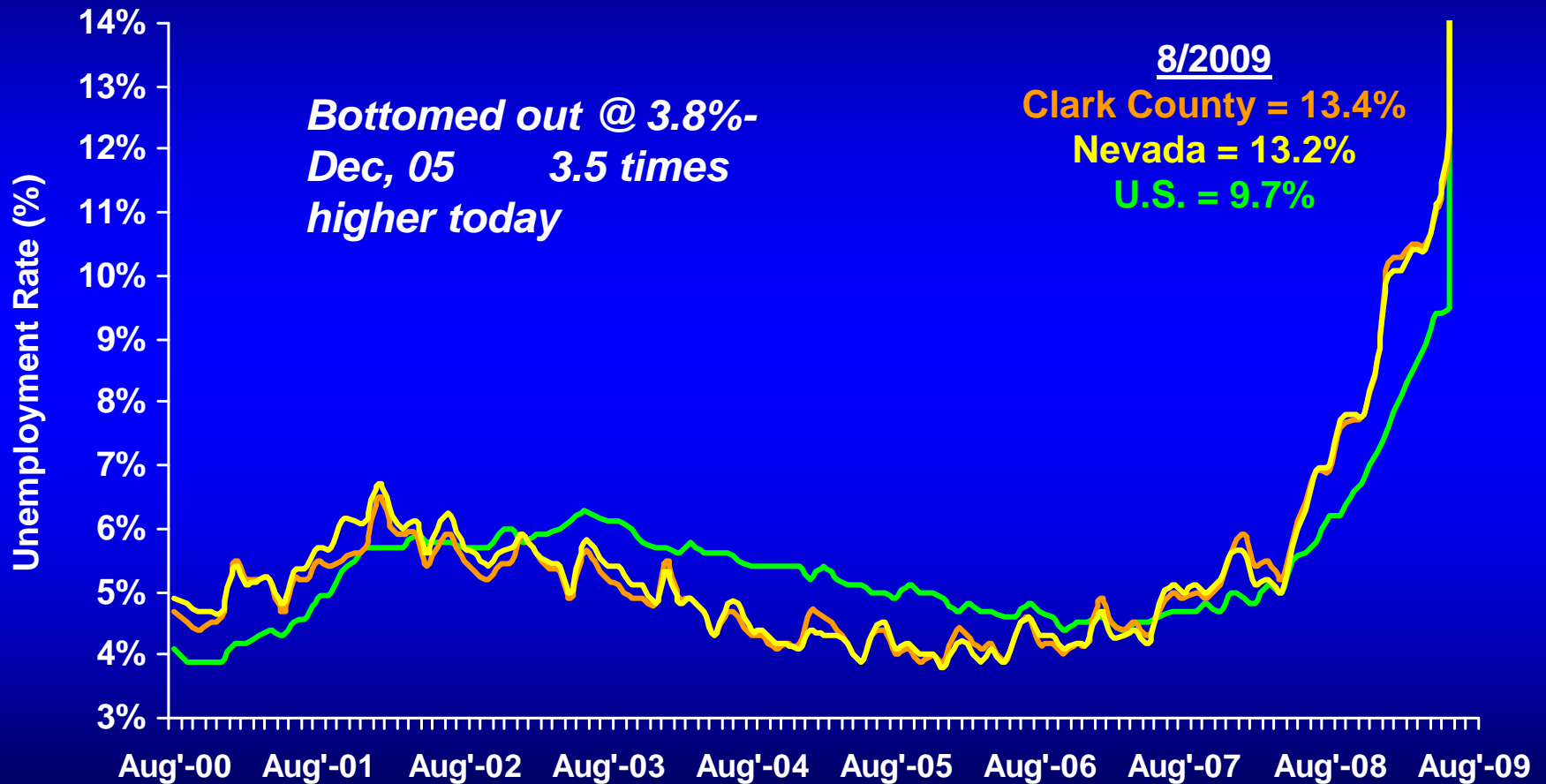
# Total Clark County Jobs by Month: January 2000-August 2009



# Job Change: Aug 2001-09



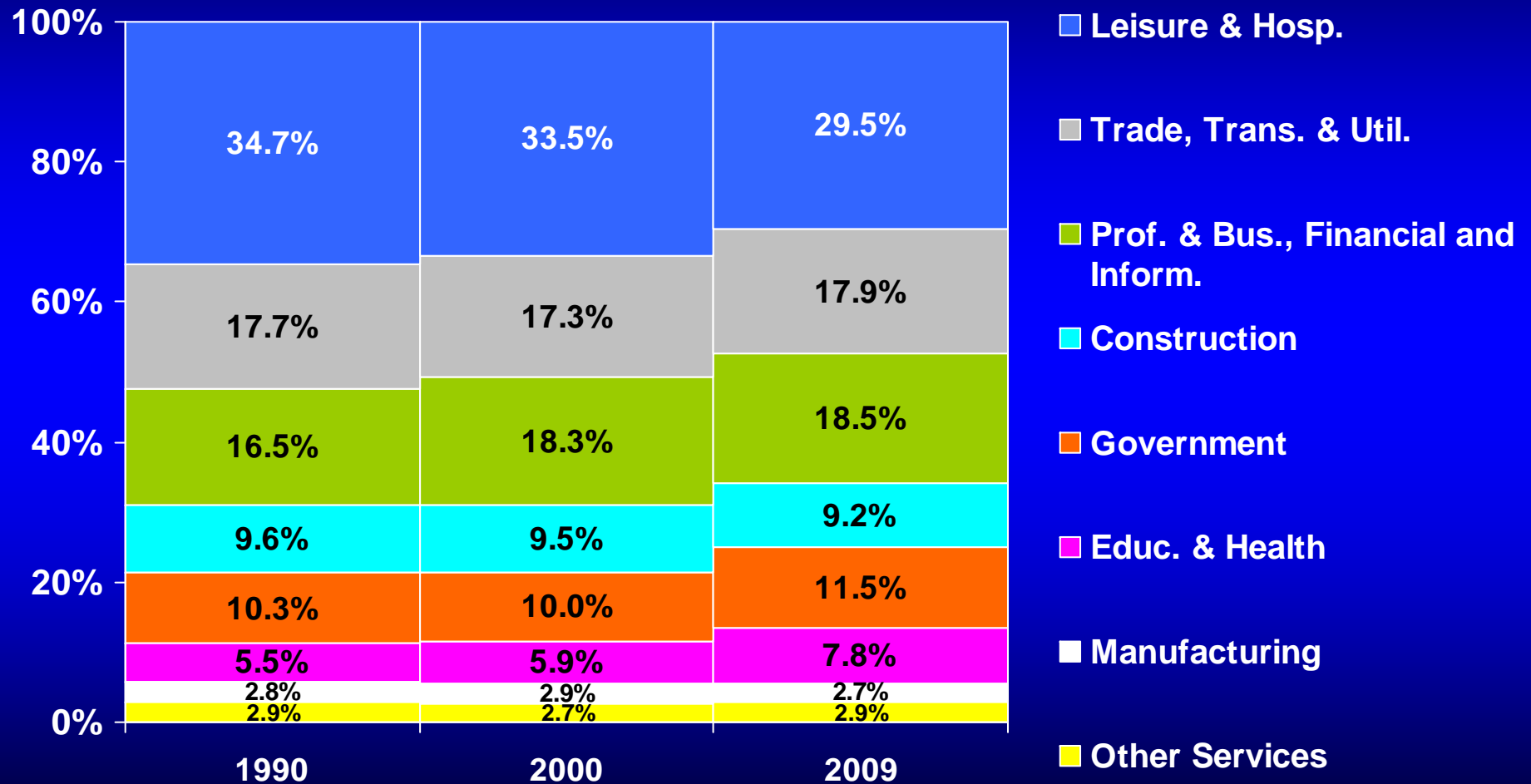
# Clark County, Nevada & U.S. Unemployment Rates 6/2000 – 8/2009



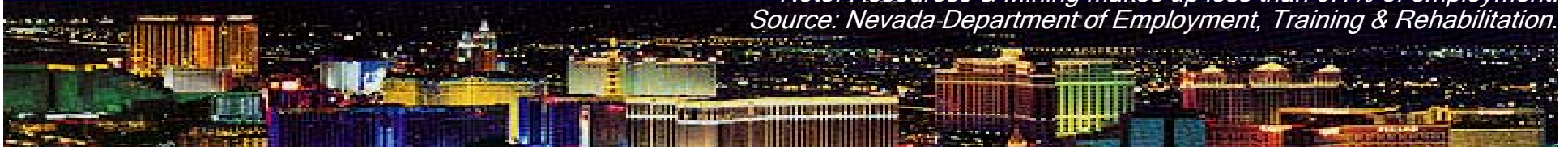
# Are We Diversifying? Major Job Sectors 1990, 2000 & 2009 (mid-year)

*Leisure & Hosp.*

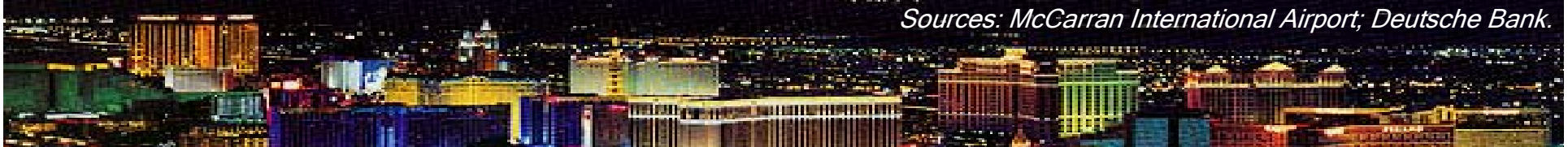
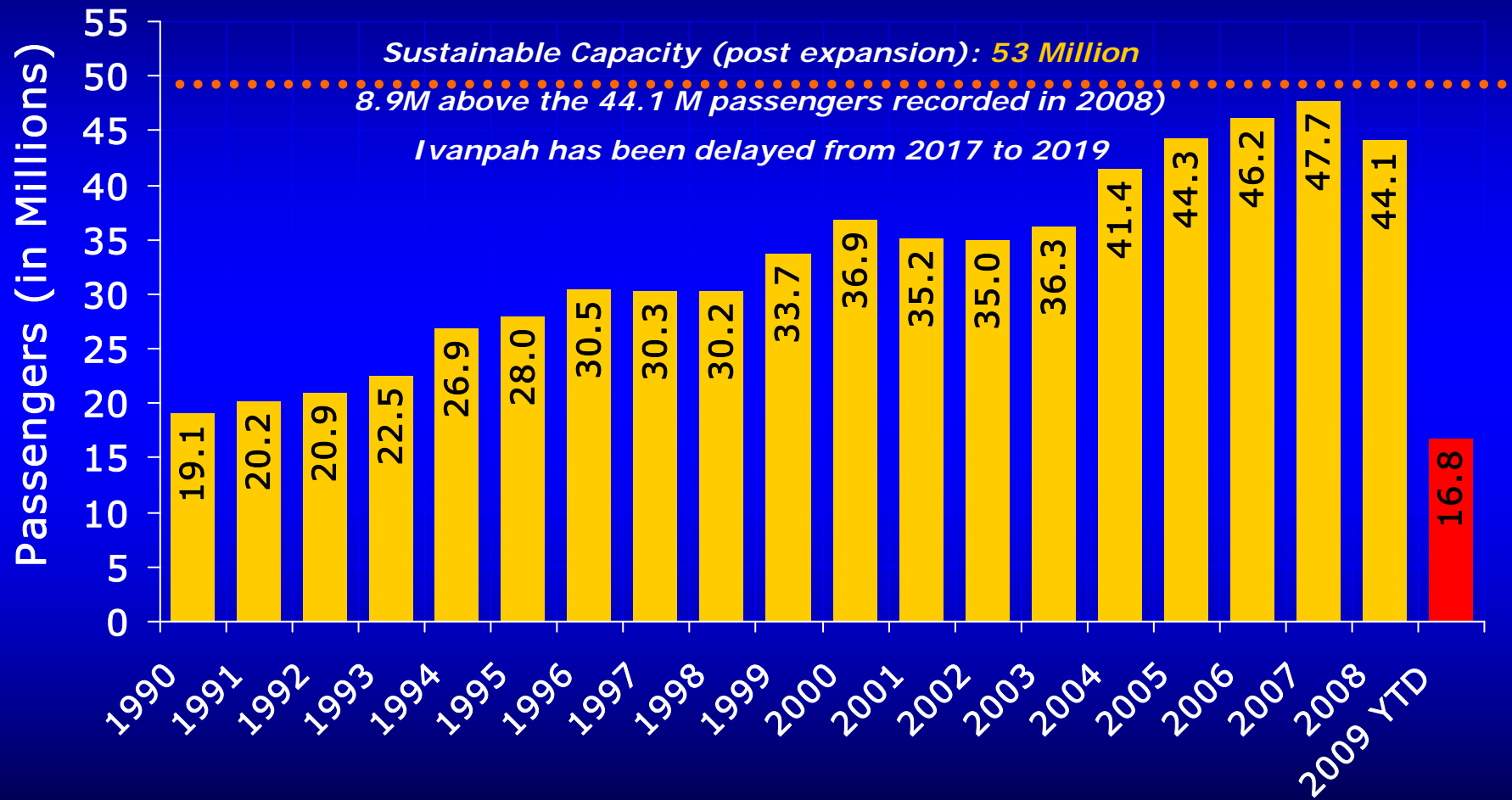
*and Construction hit the hardest*



*Note: Resources & Mining makes up less than 0.1% of employment.  
Source: Nevada-Department of Employment, Training & Rehabilitation.*



# McCarran Annual Passengers 1990 – 2008, & 2009 (YTD May)

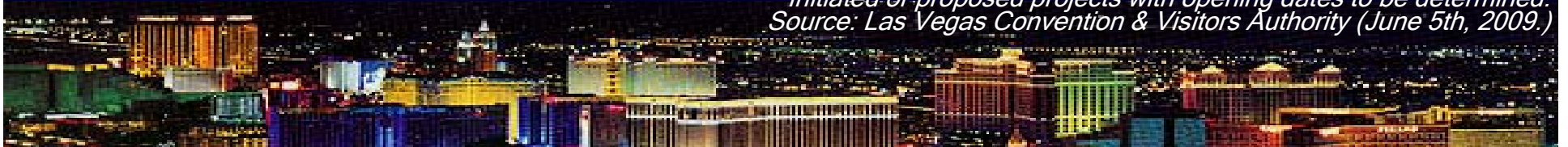


# Resort Industry Investment: Will They Come?

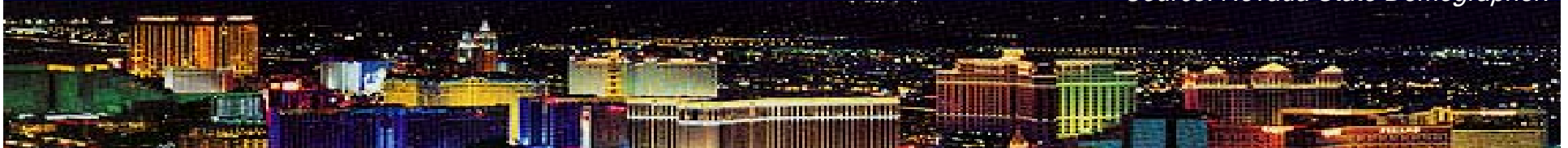
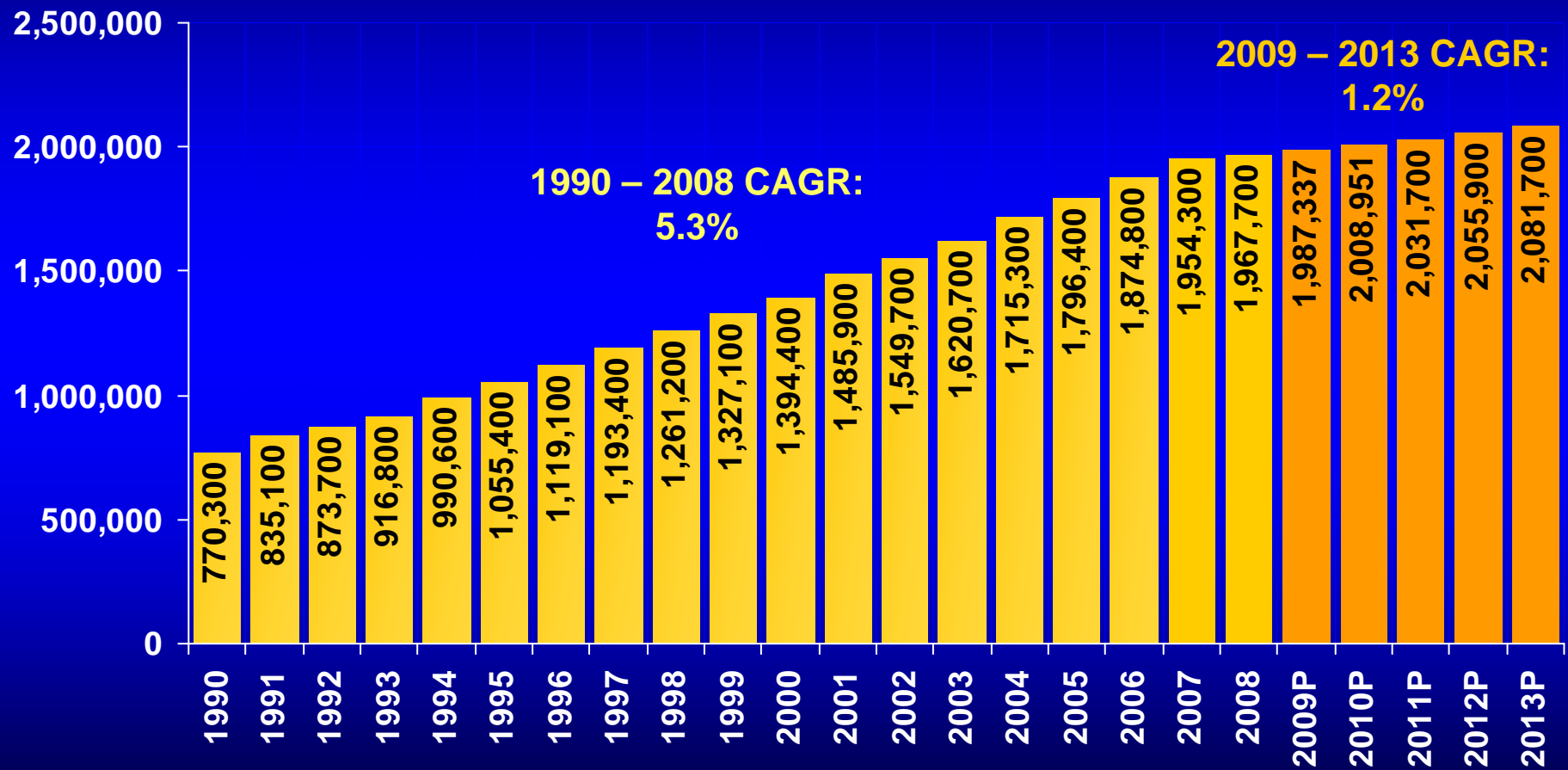
## Projects' Cost (\$B) by Scheduled Completion Year 2009 – 2011 & Undetermined



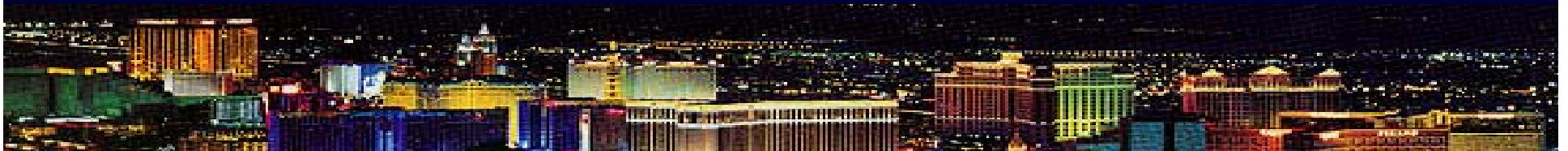
\*Expansion/Redevelopment.  
\*\*Initiated or proposed projects with opening dates to be determined.  
Source: Las Vegas Convention & Visitors Authority (June 5th, 2009.)



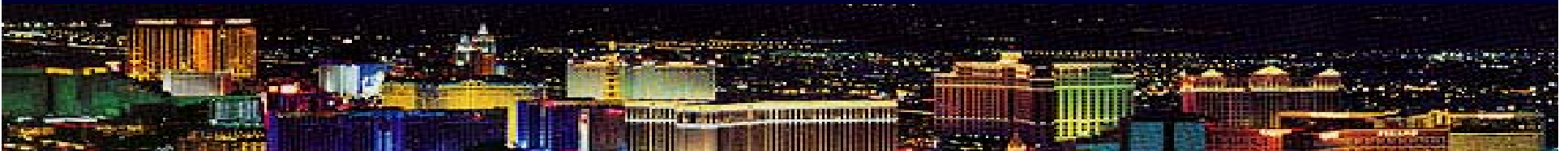
# Clark County Population: 1990 – 2008 Estimates & 2009 – 2013 Projections



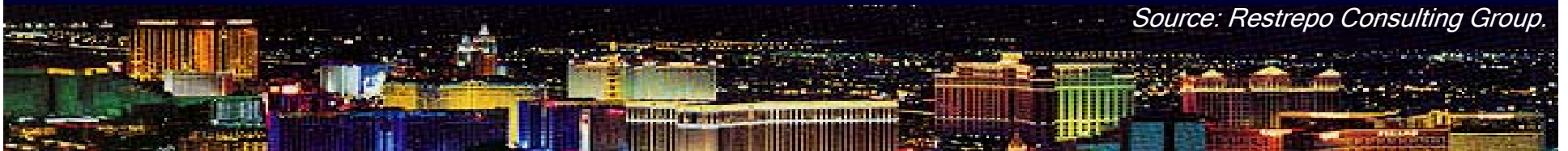
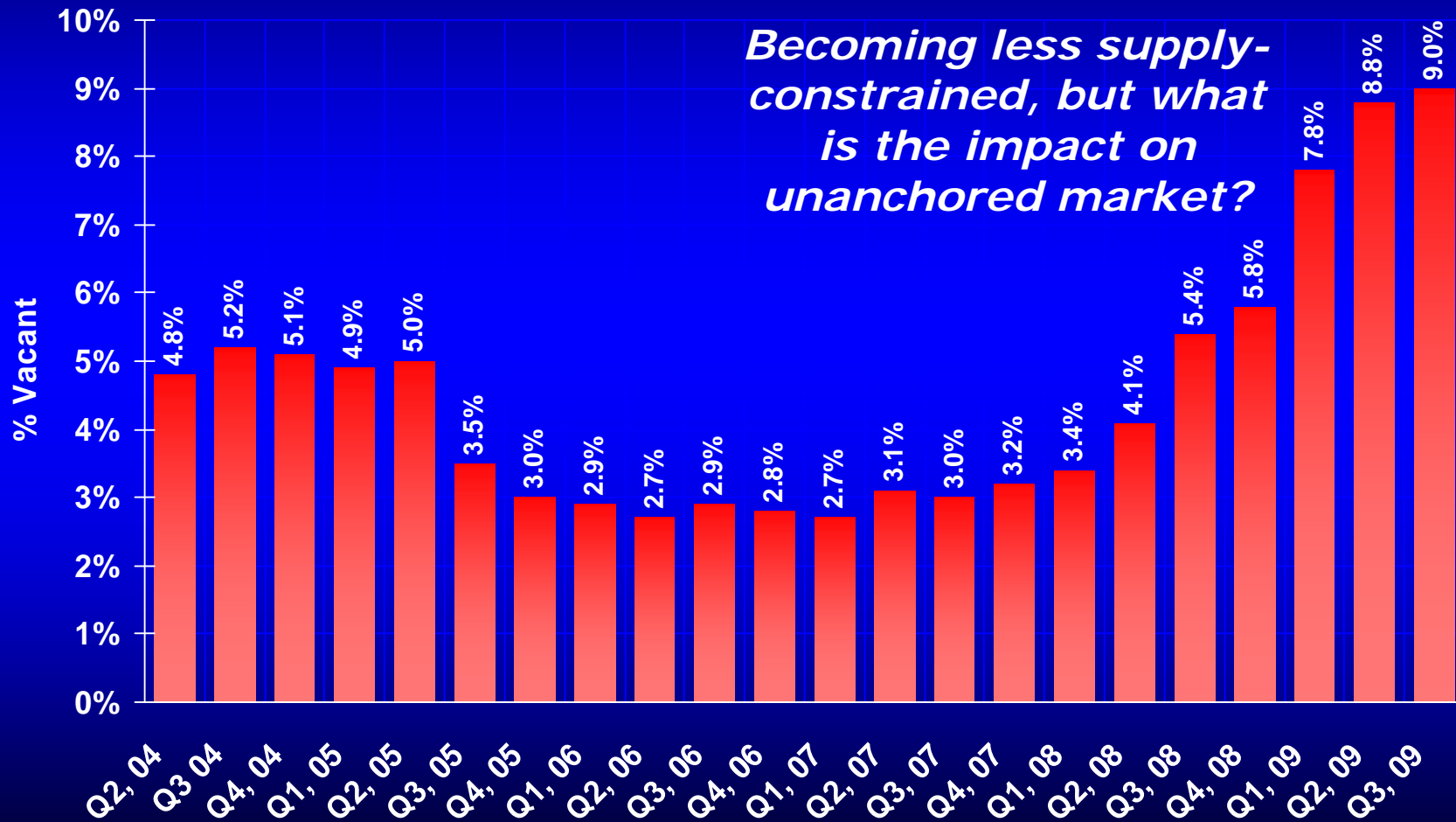
# *The Real Estate Markets*



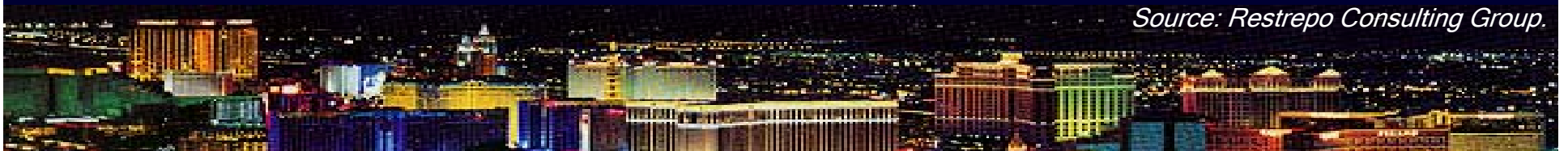
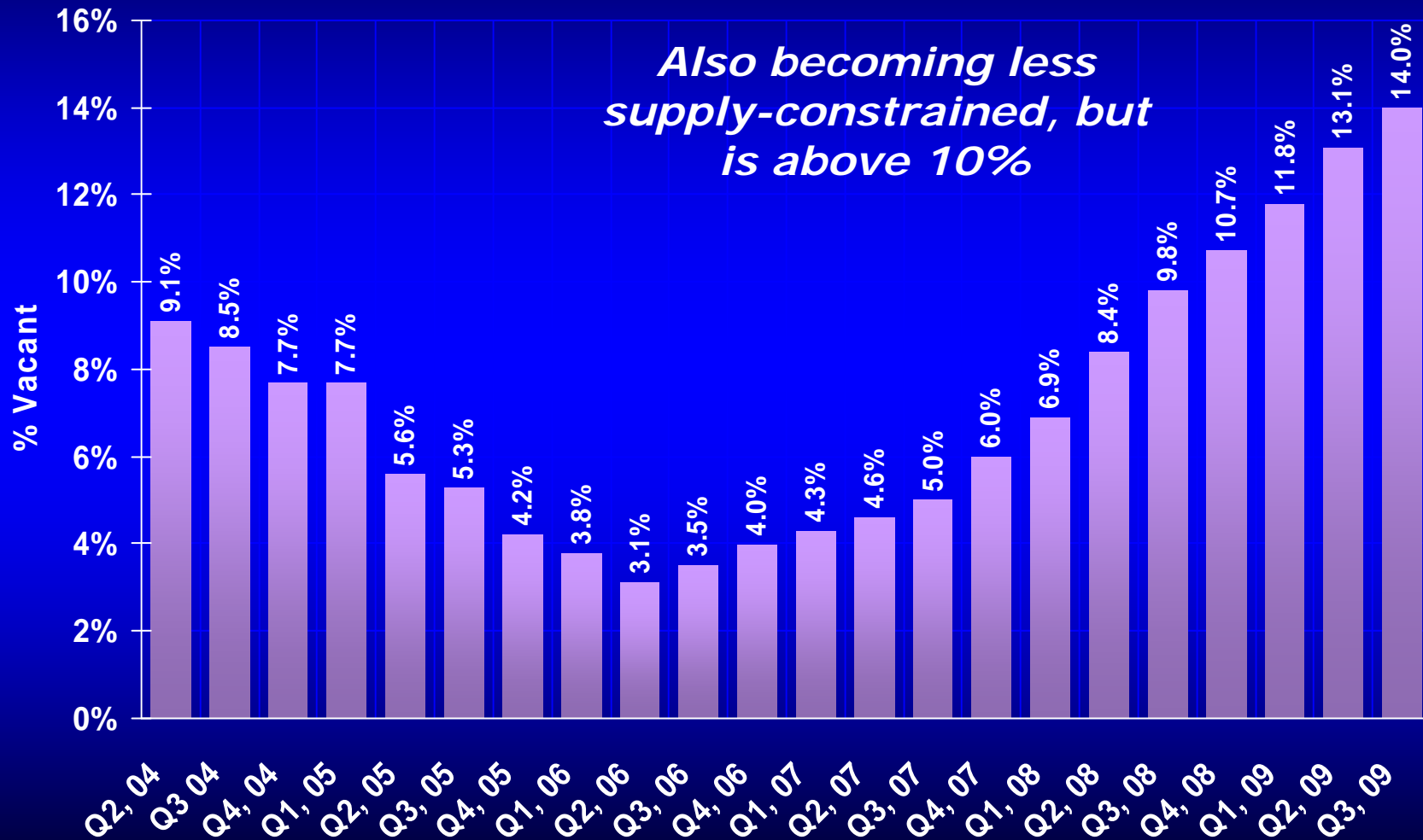
# Commercial



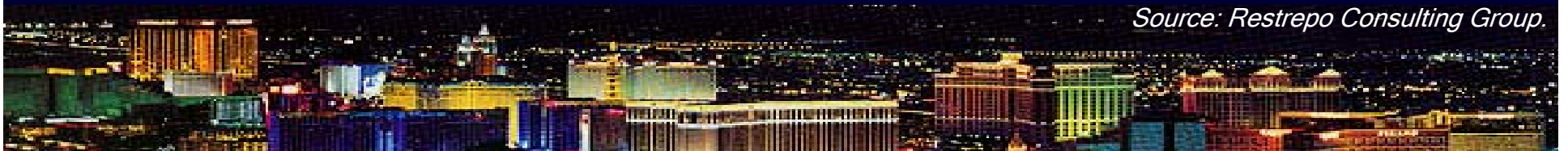
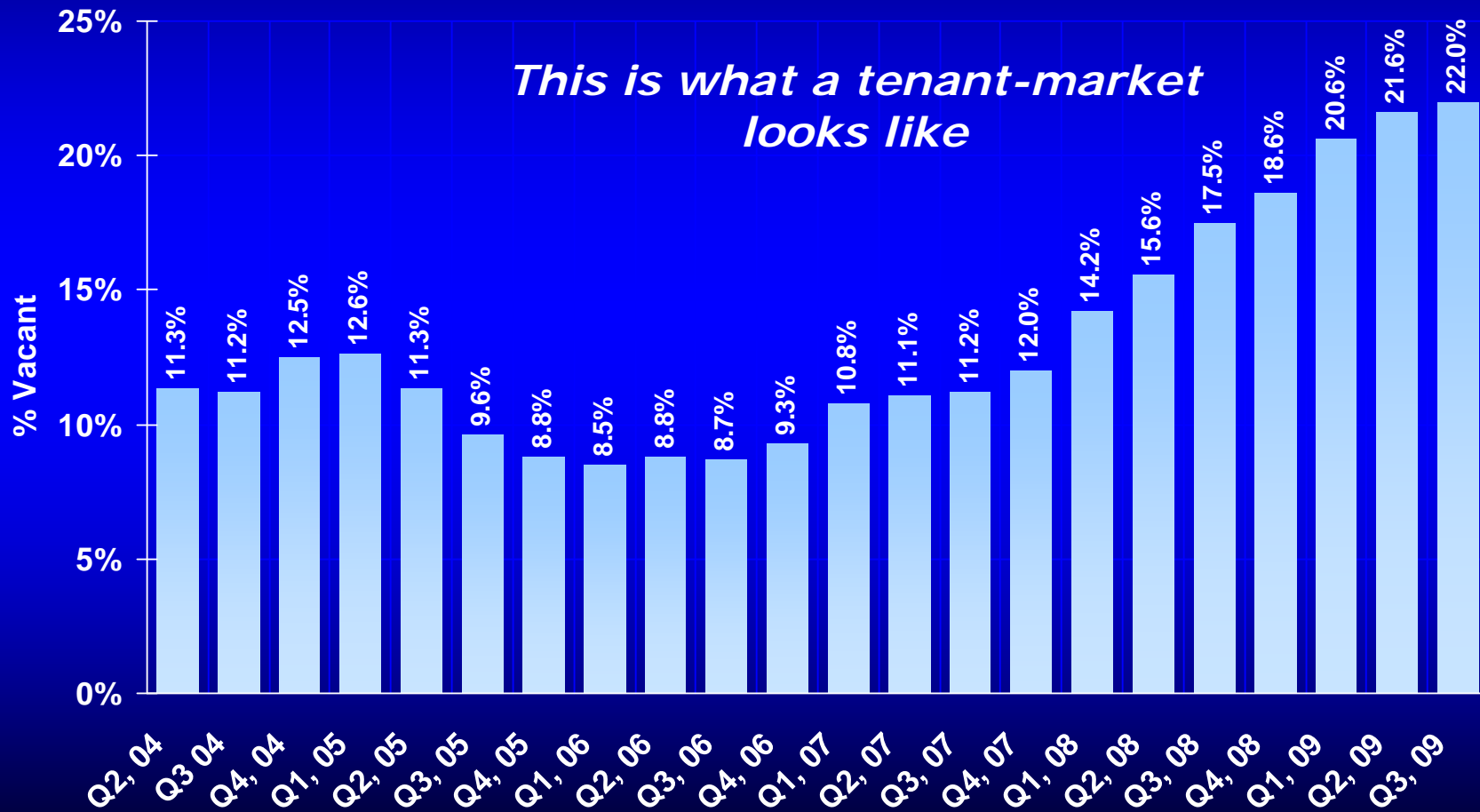
# Valley Anchored Retail Vacancy Q2, 2004 – Q2, 2009



# Valley Industrial Vacancy Q2, 2004 – Q2, 2009

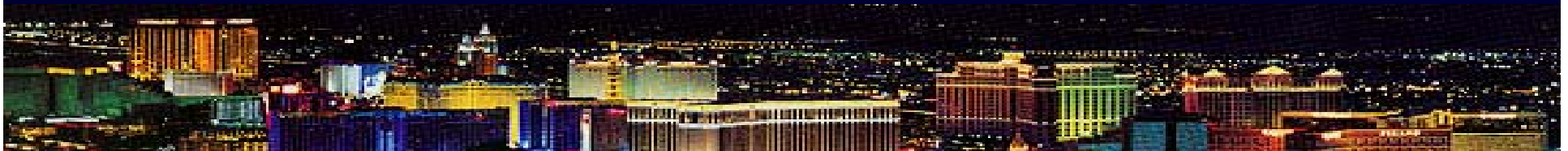
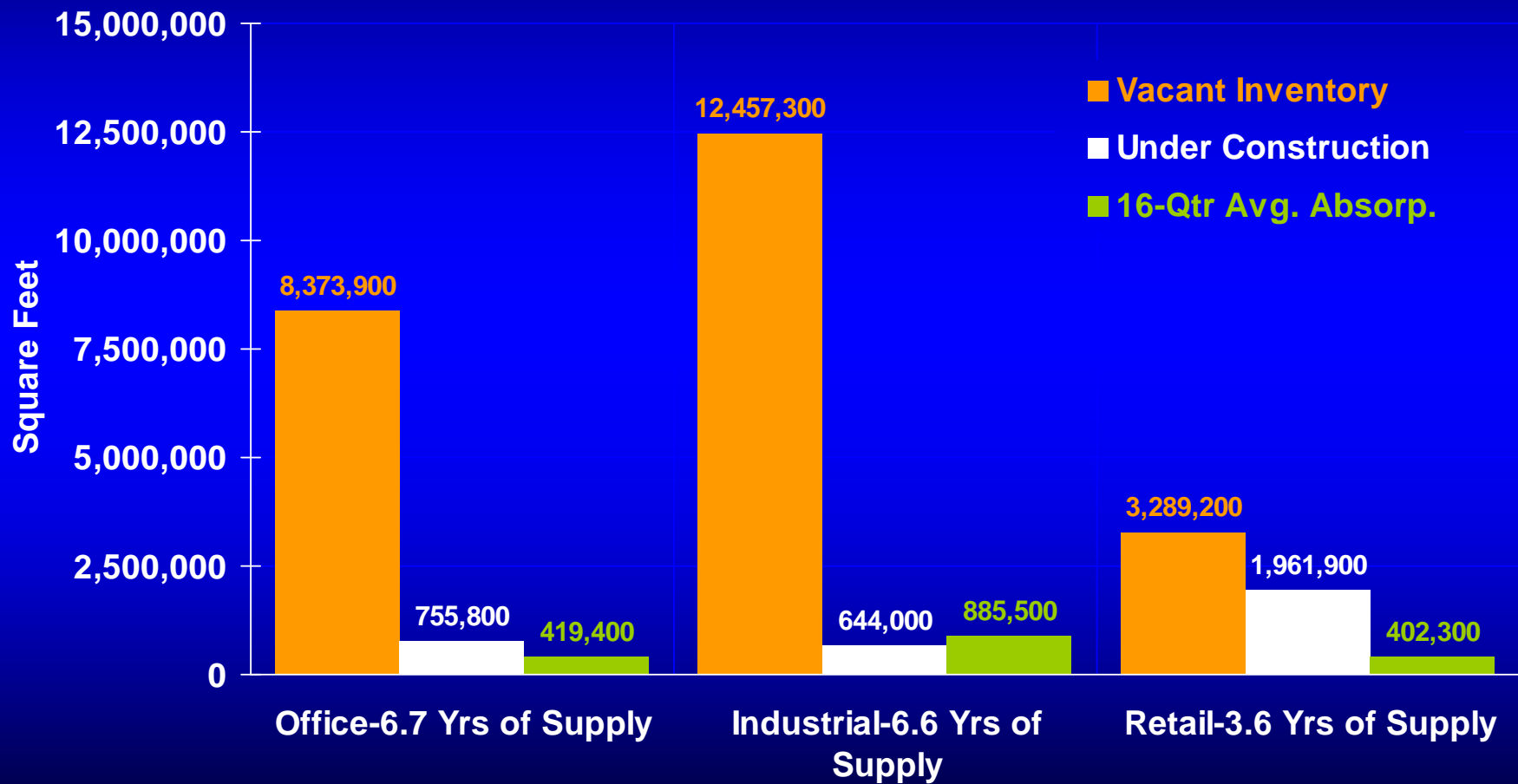


# Valley For-Lease Office Vacancy Q2, 2004 – Q2, 2009

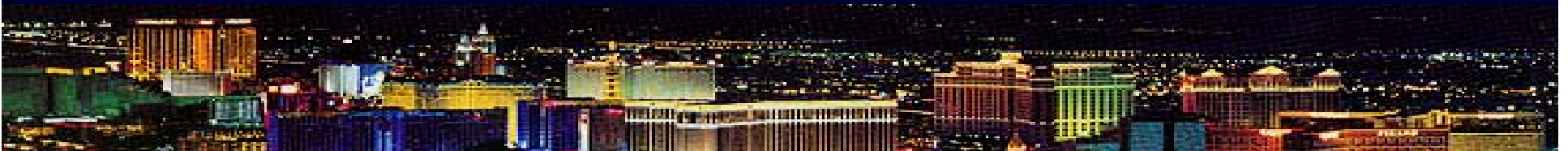


# Years of Supply

(Based on Existing Vacant & Under-Construction space,  
& 16-Qtr Average Absorption)

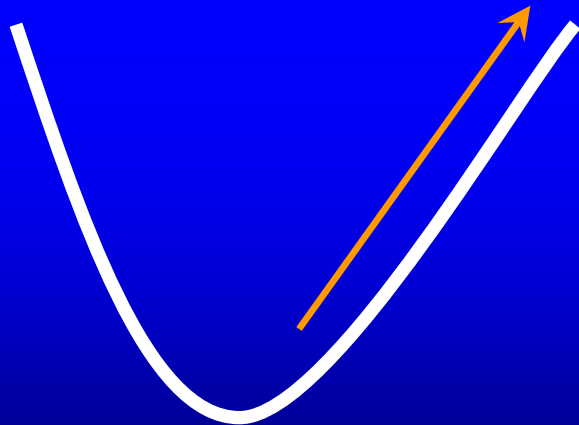


# *Conclusion*

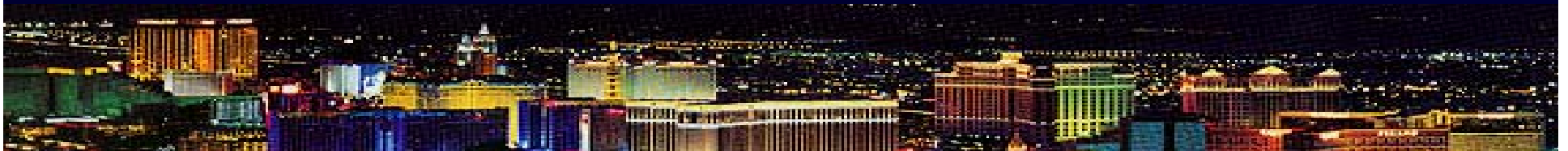


# What The Southern Nevada Long-Term Growth Trajectory Look Like

## 1. The Recent Past



## 2. The Future



# In Conclusion

## RECESSION IS HERE

- Flat is the new "up" cycle
- Consumer weakness will continue into 2011
- The other dropping shoes: commercial r.e. & credit cards
- Nevada budget to get worse

## WHAT KIND OF RECESSION?

- Bad, but NOT a depression
- Economic in So. Nevada recovery in early-2011
- Local housing recovery starting 2012 or later

## DON'T PANIC

- Recovery is inevitable if delayed
- New opportunities will be created
- Low home prices are good for Nevada in long run
- In desperate times comes real change: Real fiscal & economic structure change

