

# SOUTHERN NEVADA 2015 ECONOMIC OUTLOOK

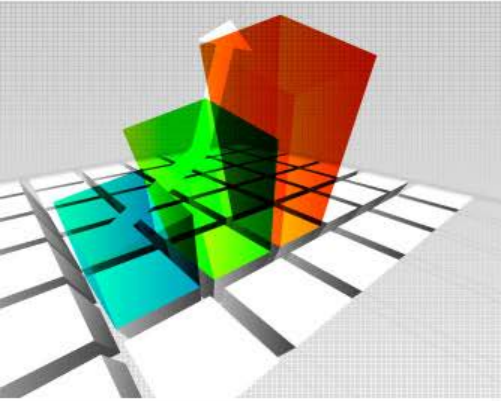


*Presented at:*  
**RMA**  
**2015 Economic**  
**Outlook**

*January 21, 2015*

**RCG**  
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# ECONOMIC OVERVIEW



# Las Vegas recovery somewhat mixed.

Rank Among 60 Largest US Metros: 2000-2013

<b>Population Change</b>	<b>#10</b>
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<b>Population Growth (%)</b>	<b>#3</b>
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<b>Employment Change</b>	<b>#10</b>
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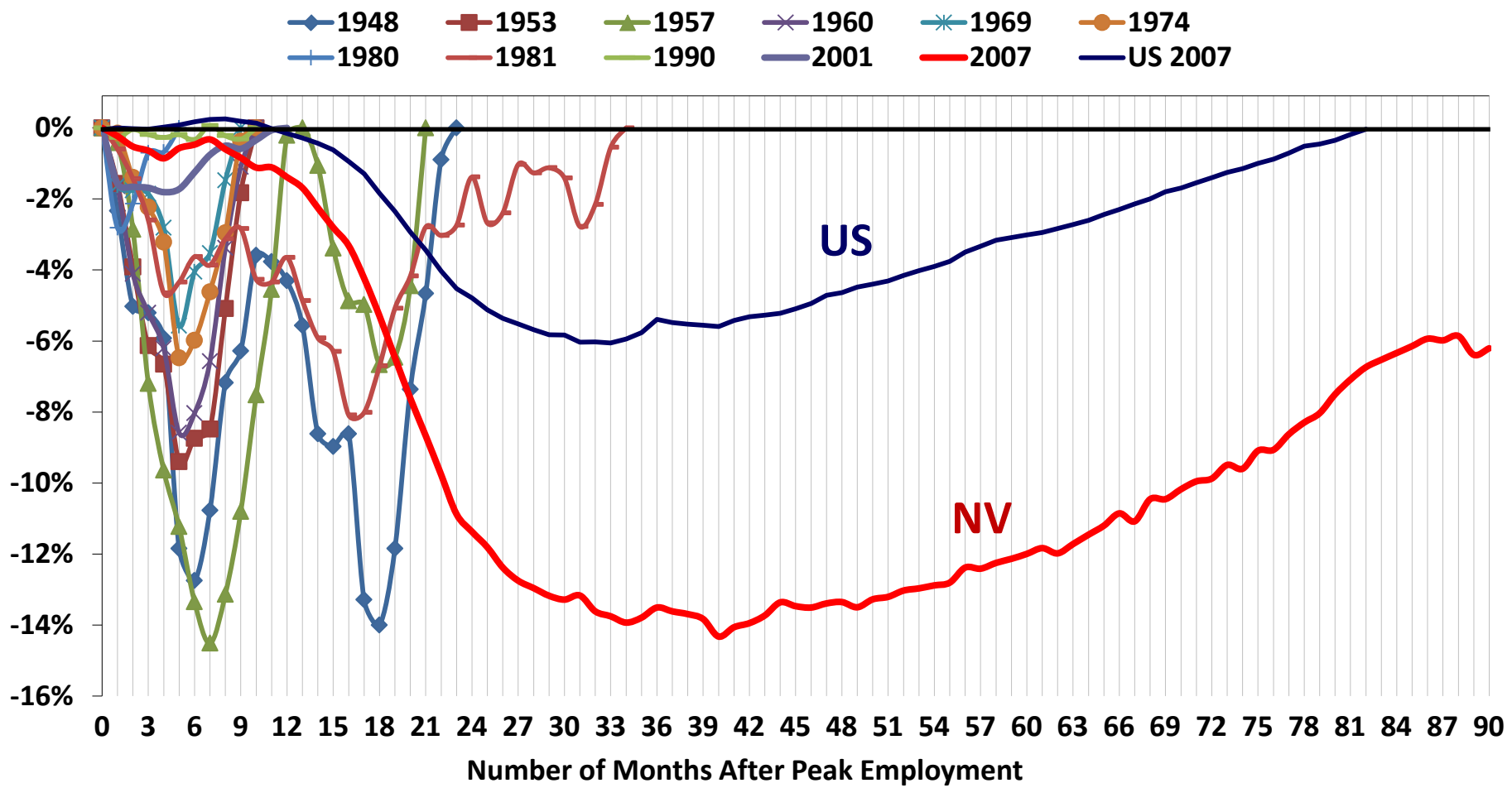
<b>Employment Growth (%)</b>	<b>#5</b>
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<b>Real GMP* Change</b>	<b>#33</b>
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<b>Real GMP* Growth (%)</b>	<b>#25</b>
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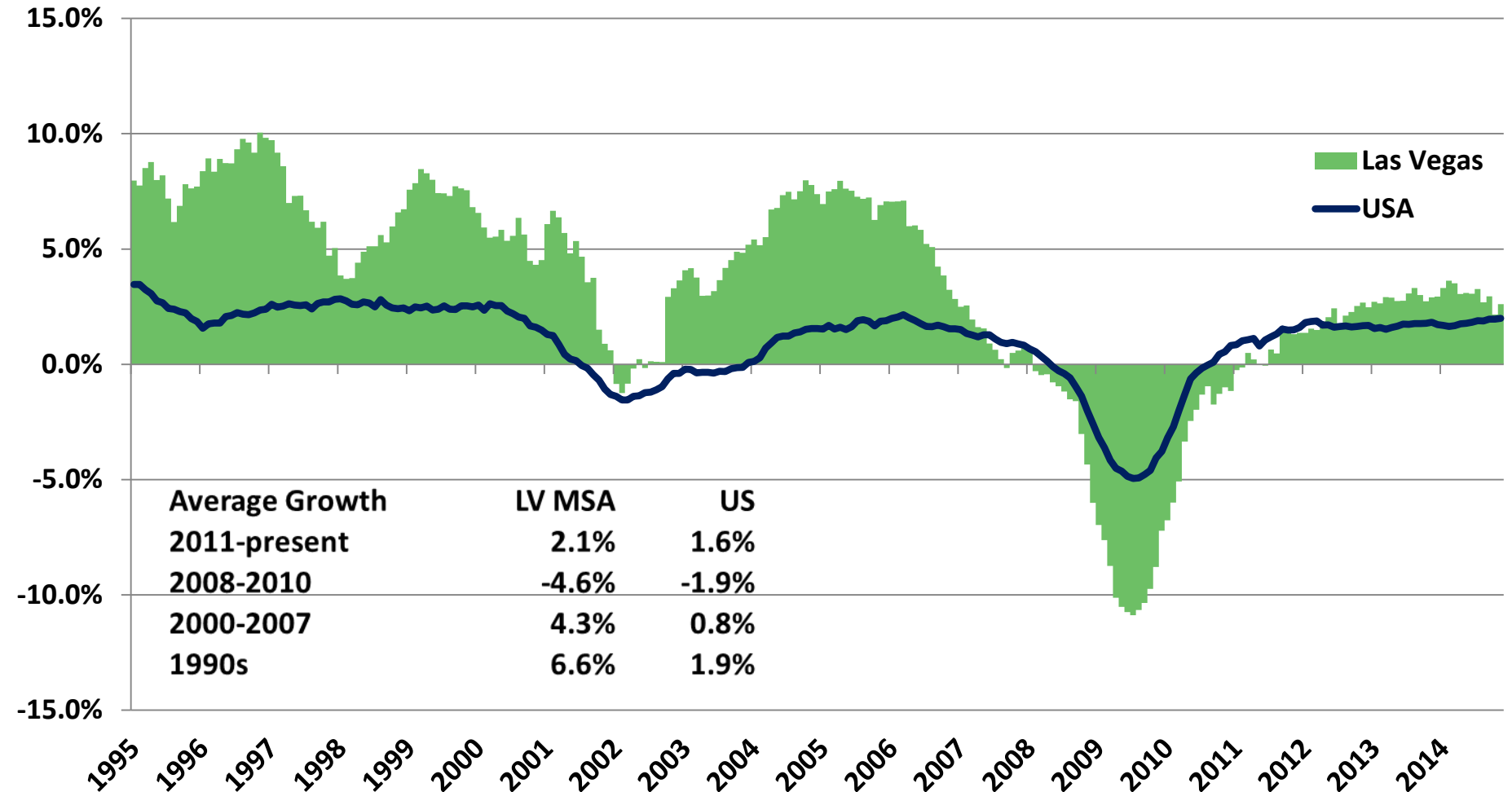
# Nevada job recovery from Great Recession after 90 months.

Nevada Recession Recoveries: 1948-Present



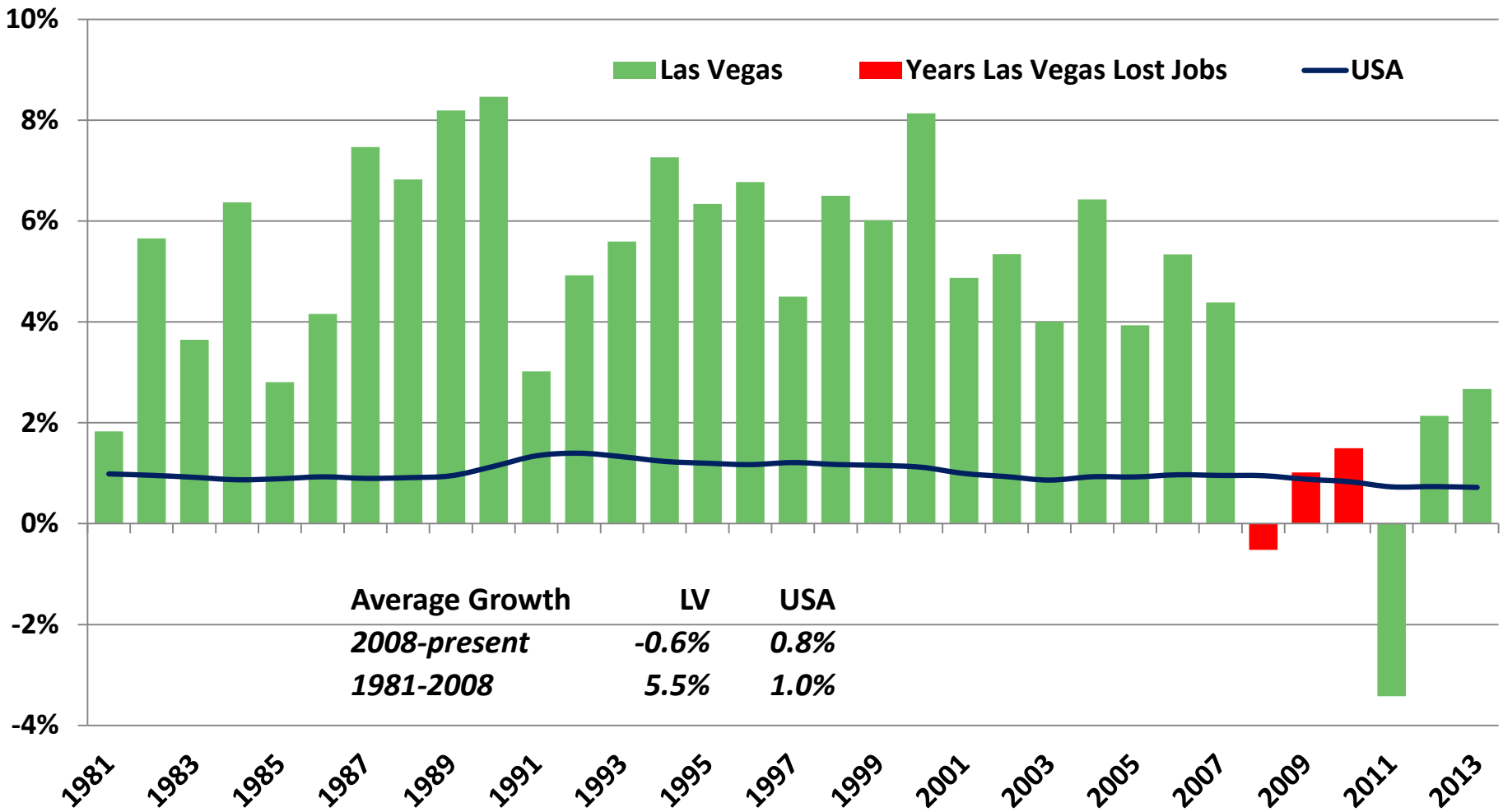
# Job growth hurt in '01 Recession but crushed in Great Recession.

Las Vegas MSA Employment vs. US Employment (% Change): Jan-95 to Nov-14



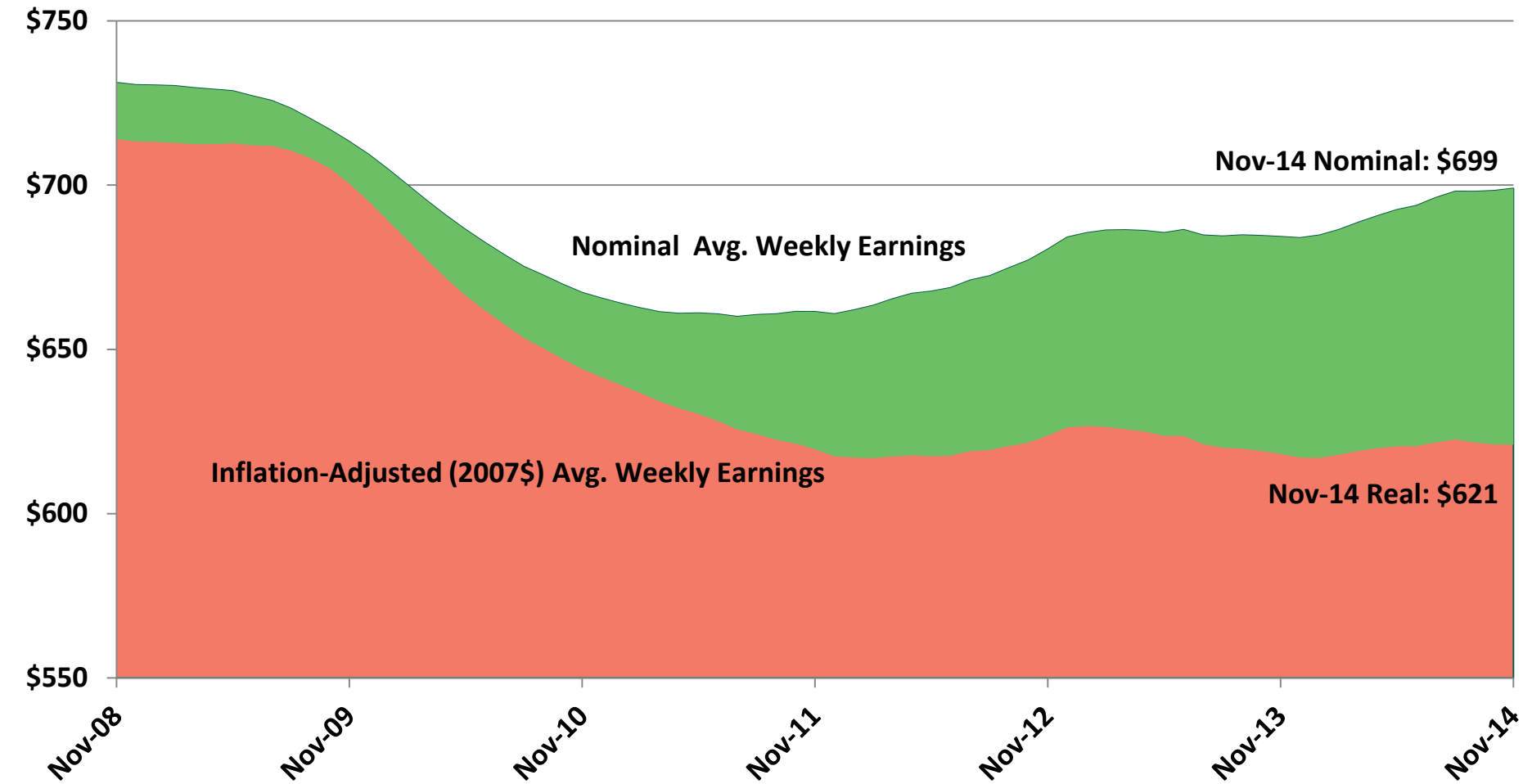
# Great Recession slammed population growth, now recovering.

Clark County Population vs. US Population (% Change): 1981-2013



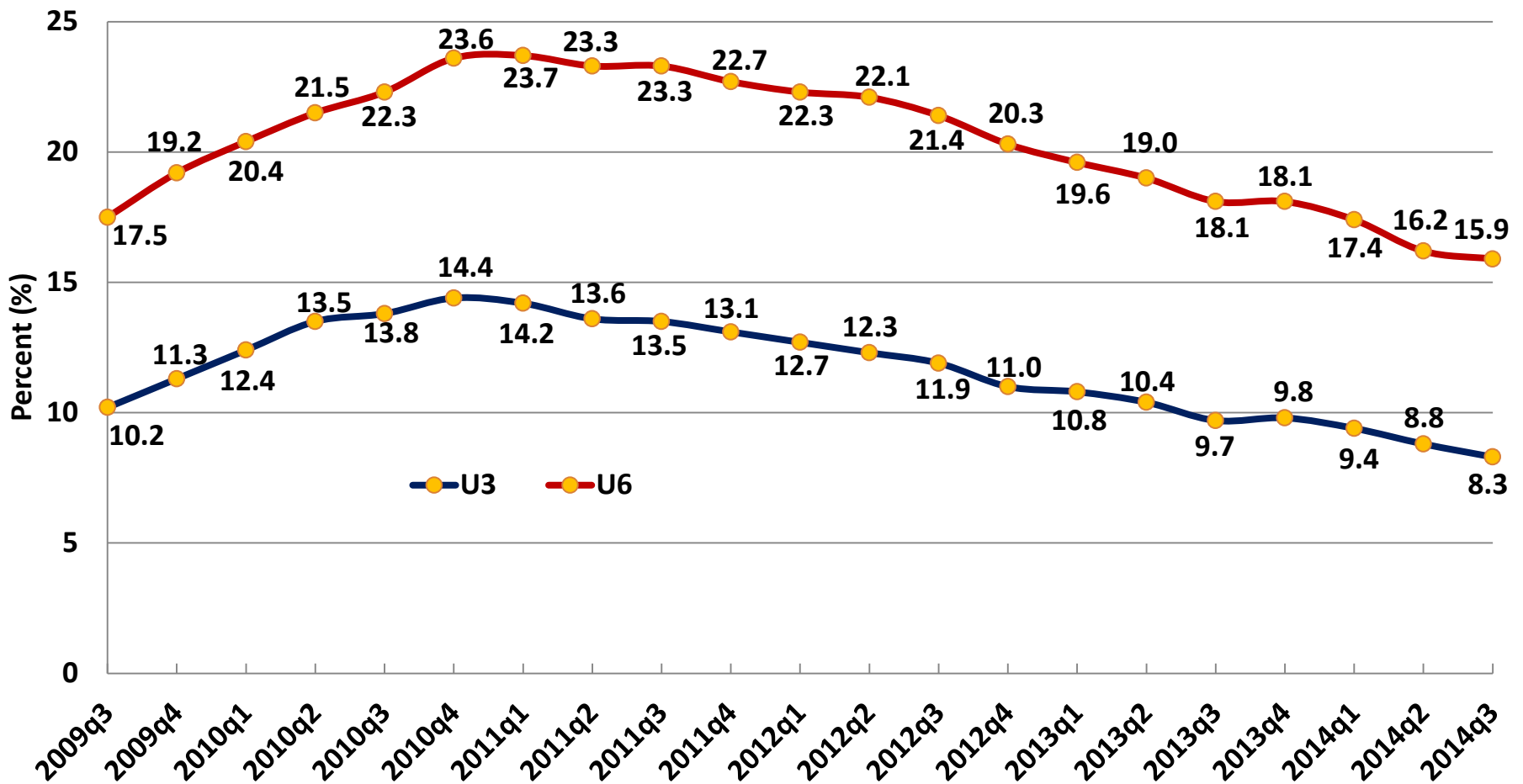
# Real wages stagnant over last three years.

Las Vegas MSA Average Weekly Earnings: Nov-08 to Nov-14



# Unemployment rate improving but U-6 rate still too high.

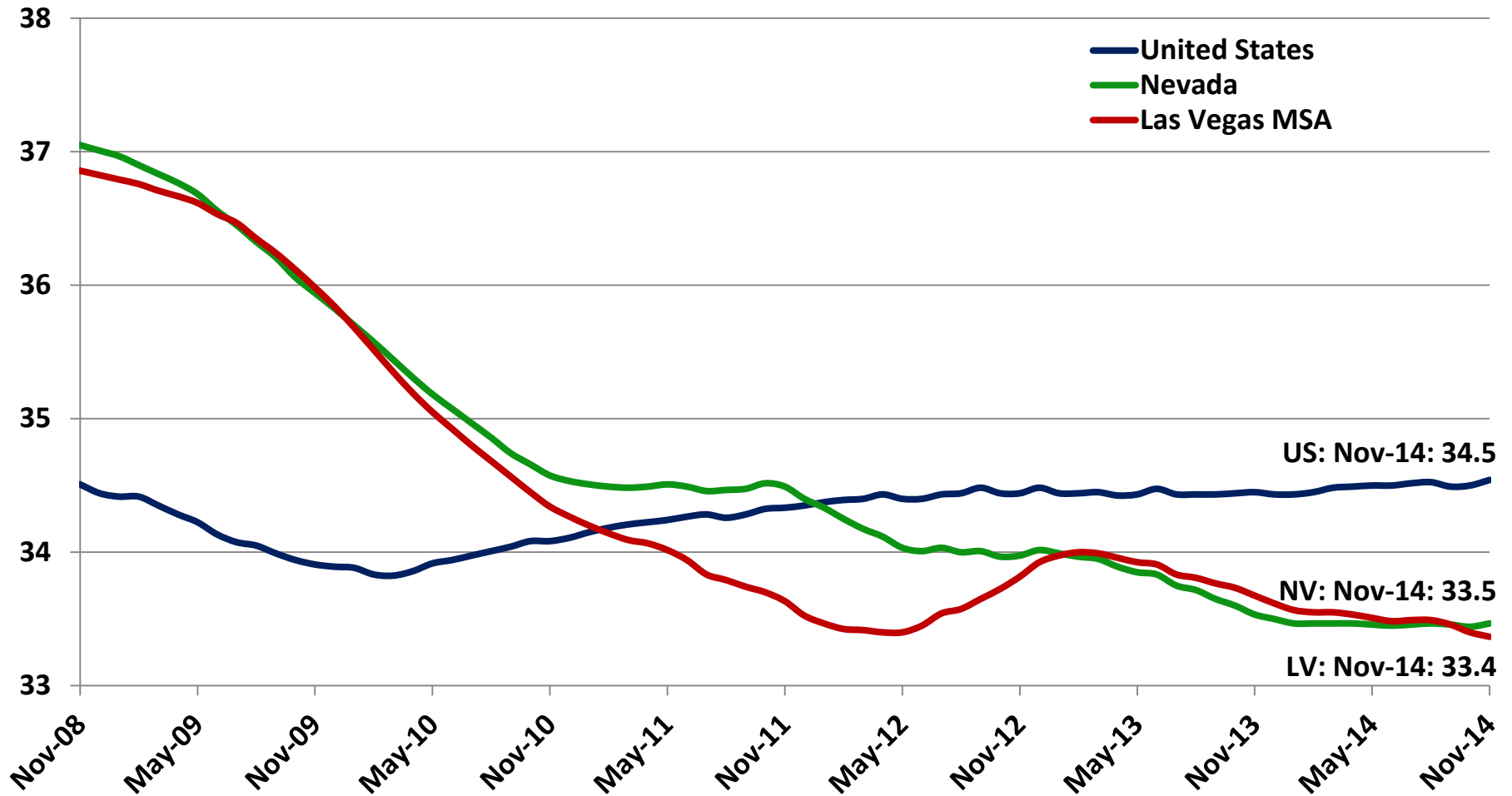
Nevada U-3 & U-6 Unemployment Rates: Q3-09 to Q3-14





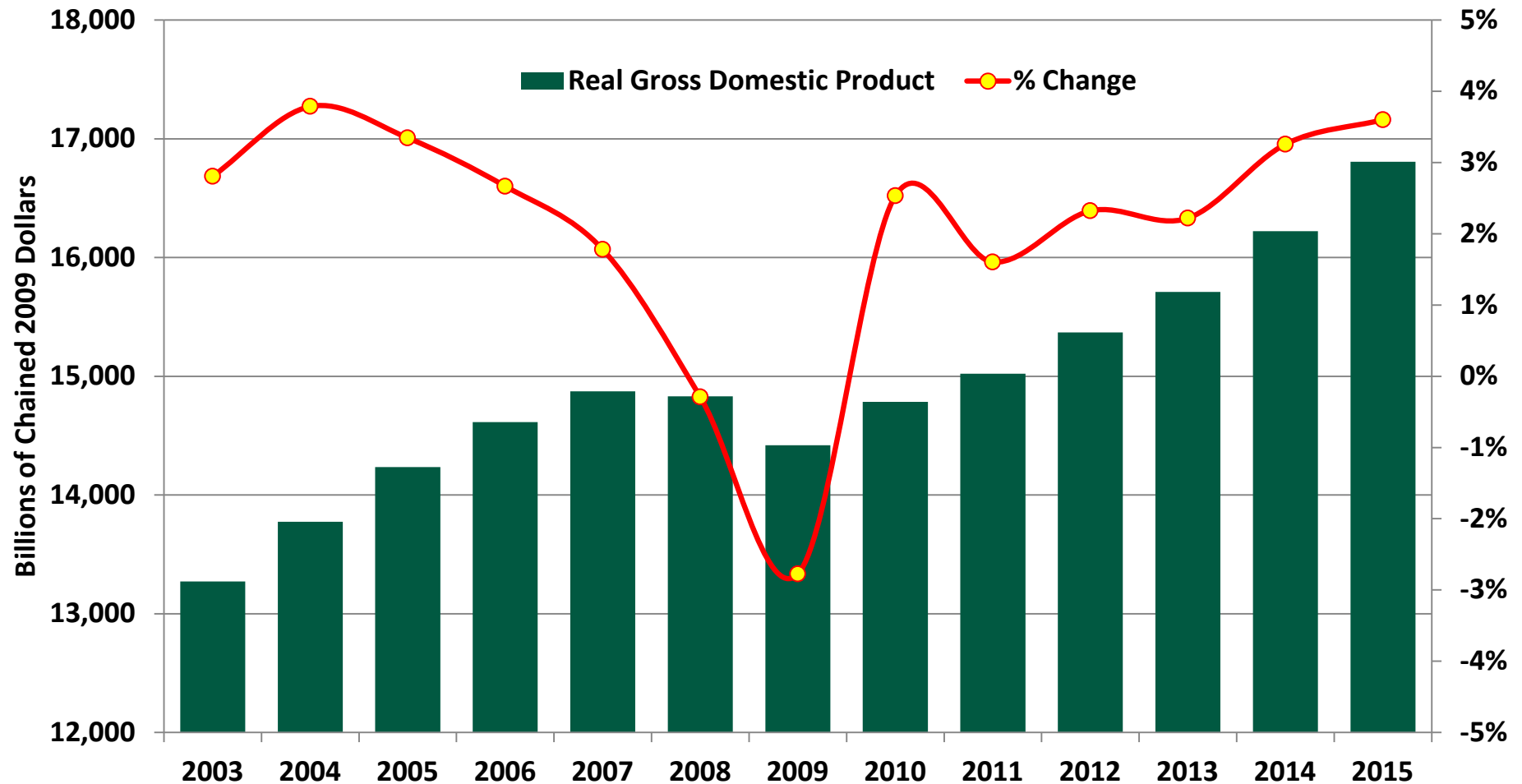
# Age of the part-time worker. Weekly hours dropping; as unemployment rate drops.

Las Vegas MSA Average Weekly Hours: Nov-08 to Nov-14



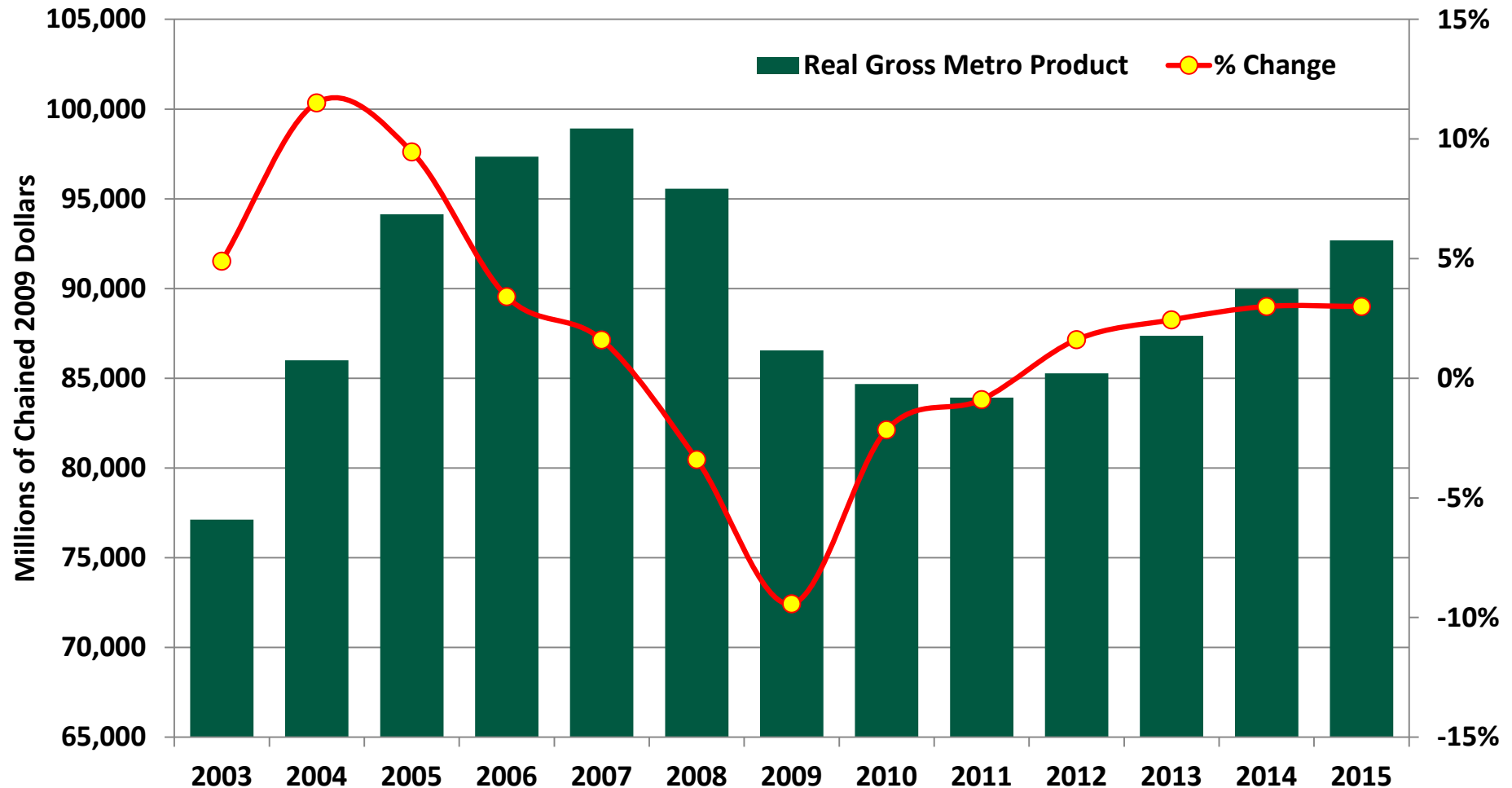
# US real GDP further improving, compared to recent years.

## US Real GDP Forecast: 2003-2015



# Las Vegas real GMP growth remains strong coming out of Great Recession.

## Las Vegas Real GMP Forecast: 2003-2015



# Las Vegas skilled worker pool booms after 2000.

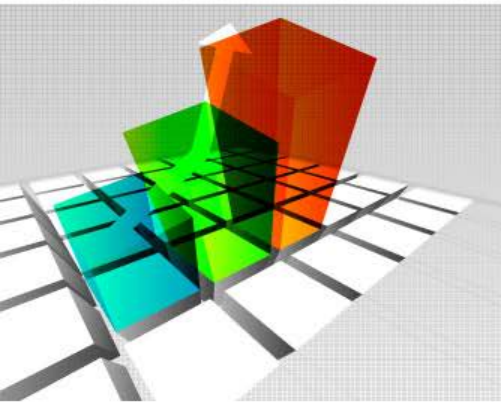
Las Vegas MSA High-Skill Population Growth (% Change): 2000-2013

MSA	Bach. Degree+ Pop. Growth		Total Pop. Growth	
	Pop. Growth	Rank	Growth	Rank
Charlotte, NC	102%	1	35%	5
Grand Rapids, MI	93%	2	9%	33
<b>Las Vegas</b>	<b>91%</b>	<b>3</b>	<b>45%</b>	<b>3</b>
Austin, TX	80%	4	49%	2
Raleigh, NC	79%	5	51%	1
Riverside, CA	74%	6	34%	8
Nashville, TN	72%	7	27%	12
Orlando, FL	66%	8	37%	4
San Antonio	66%	9	32%	9
Phoenix	63%	10	34%	6

# Nevada jobs bounce back big in 2013, but unemployment rate still high.

*Nevada Employment vs. Rest of US (% Change): 2013*

<b>Fastest Growing States</b>	<b>1-YR Growth Rate</b>	<b>Slowest Growing States</b>	<b>1-YR Growth Rate</b>
North Dakota	3.7%	Rhode Island	0.7%
<b>Nevada</b>	<b>3.4%</b>	Arkansas	0.6%
Florida	2.8%	DC	0.6%
Oregon	2.8%	Pennsylvania	0.5%
Utah	2.8%	New Jersey	0.5%
Texas	2.7%	South Dakota	0.4%
Colorado	2.7%	Vermont	0.3%
California	2.6%	Virginia	0.3%
South Carolina	2.5%	West Virginia	0.1%
Delaware	2.4%	New Mexico	-0.2%



# LOOKING FORWARD

## Three Rules of Forecasting

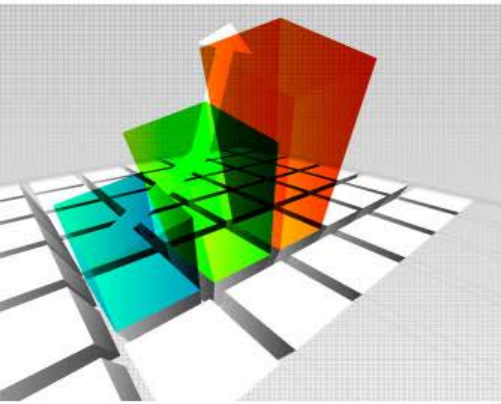
*If you give a number, don't give a date.*

*If you give a date, don't give a number.*

*If you get it right, don't look surprised.*

*-- Anonymous*





# LOOKING FORWARD

## How Others See Us

# SoNv has average development & redevelopment opportunities.

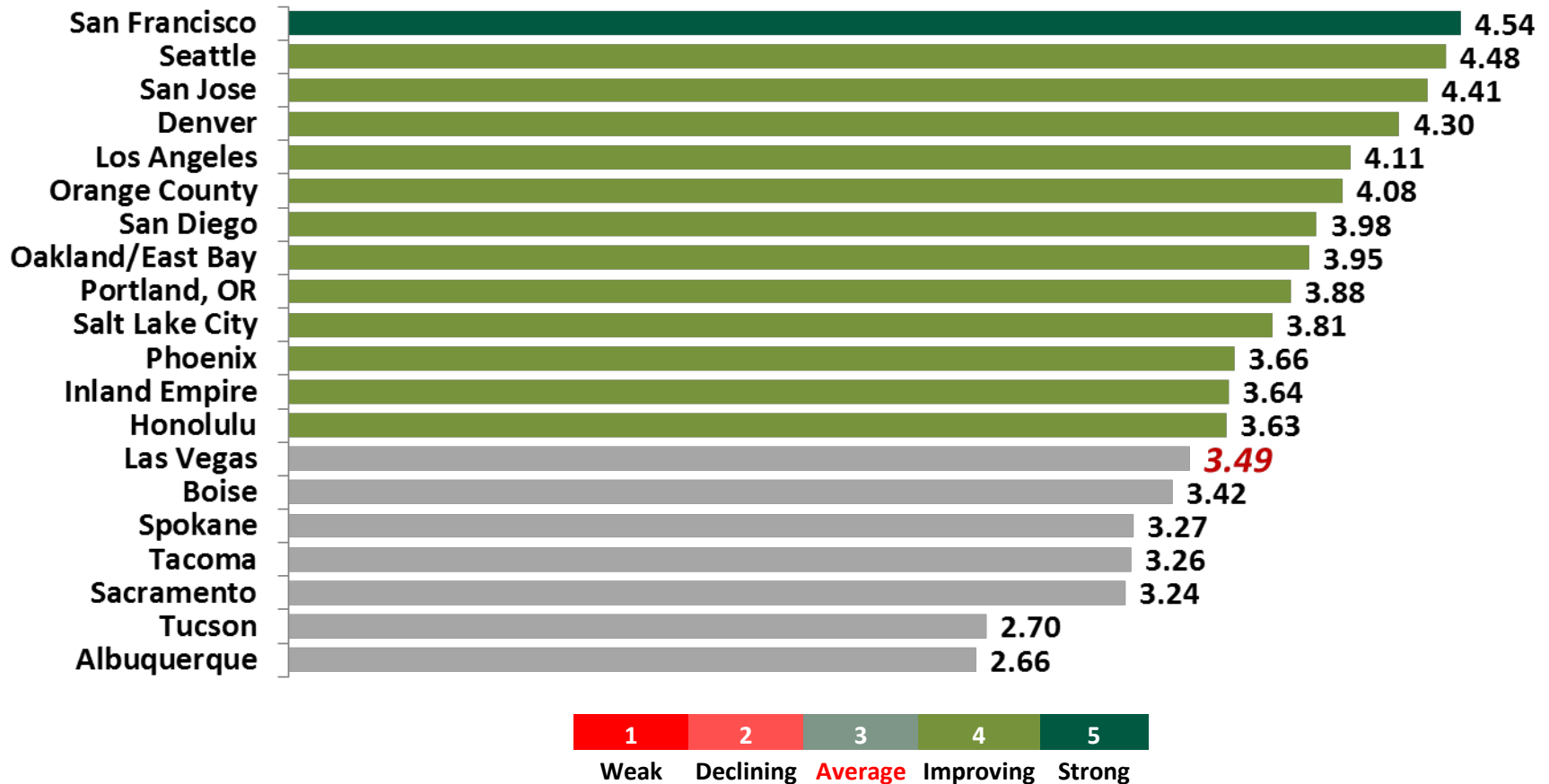
2015 Metro Perspective: Top 10 Metros for Development/Redevelopment: Opportunities + Las Vegas MSA (Of 60 Largest Metros)

1 Houston	4.62	Weak
2 Dallas/Fort Worth	4.24	Declining
3 San Jose	4.20	Average
4 Seattle	4.19	Improving
5 New Orleans	4.17	Strong
6 New York—Brooklyn	4.15	
7 Denver	4.14	
8 San Francisco	4.09	
9 Nashville	4.06	
10 Minneapolis/St. Paul	4.05	
<b>57 Las Vegas</b>	<b>3.17</b>	
58 Milwaukee	3.17	
59 Spokane	3.17	
60 Birmingham	3.17	



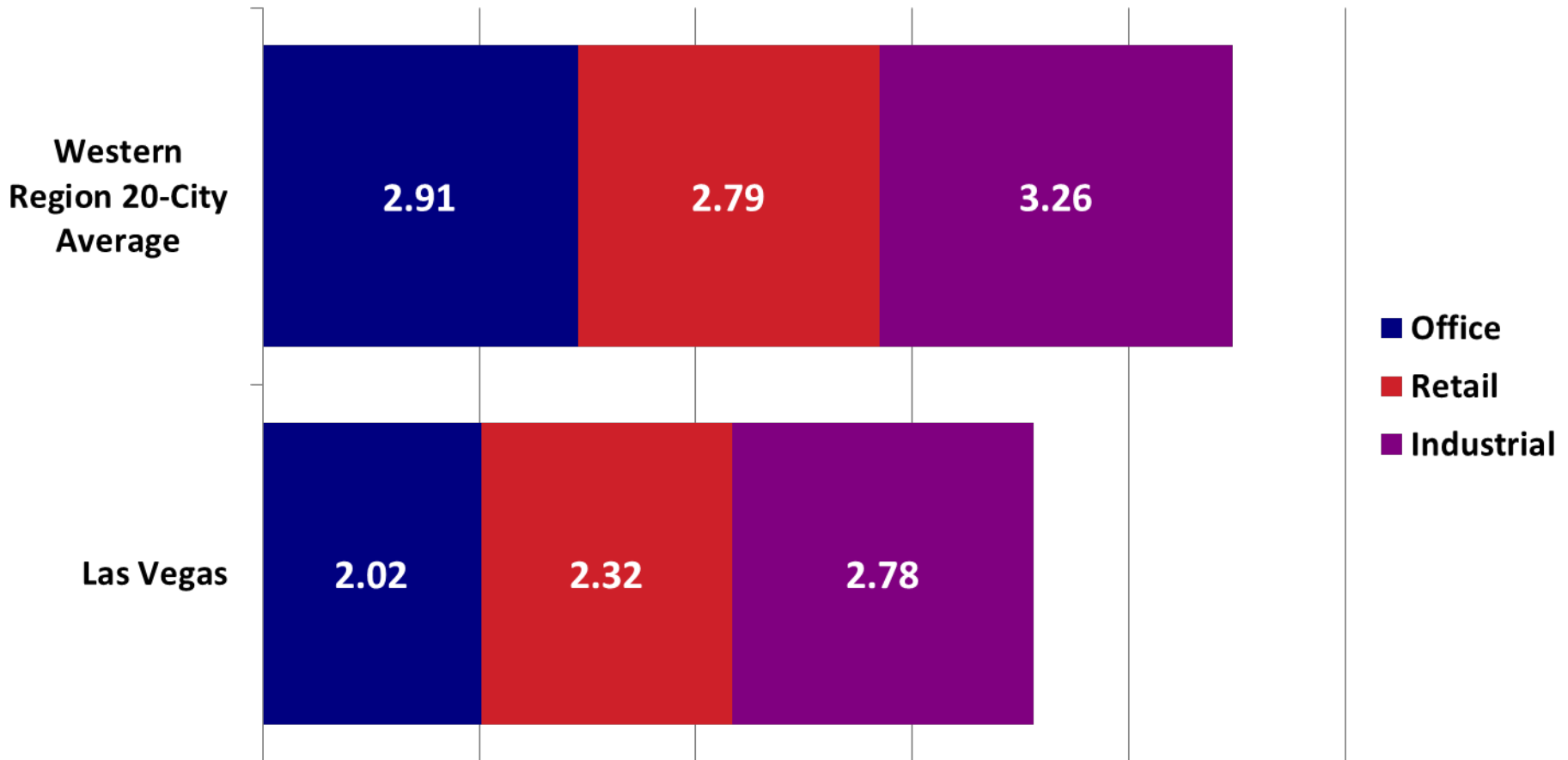
# SoNV lags in projected economic strength among western metros.

## 2015 Strength of Economy Scores (Out of 5): Local Outlook: West Region



# SoNV CRE lags investment prospects lag other western metros, cont'd.

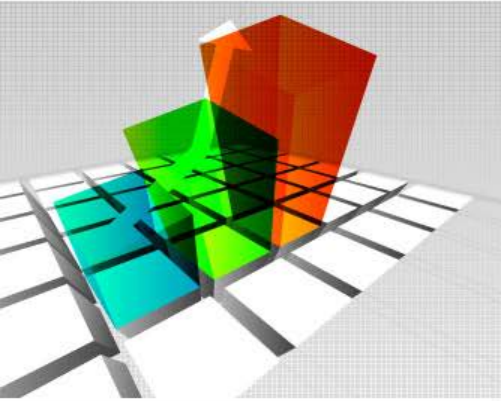
2015 Sector Investment Prospects (Out of 5): Las Vegas & Western Region



# Less than optimal LV real estate prospects: investment, development & homebuilding.

## 2015 Top 10 U.S. Metros to Watch Plus Las Vegas: Overall Real Estate Prospects (5 is Highest Score)

	Market (Of 75 Largest Markets)	Investment	Development	Homebuilding
1	Houston (1, 1, 2)	4.01	3.80	4.21
2	Austin (2, 4, 1)	3.85	3.68	4.33
3	San Francisco (3, 2, 5)	3.82	3.75	3.80
4	Denver (5, 5, 4)	3.66	3.54	3.87
5	Dallas/Fort Worth (9, 8, 3)	3.56	3.43	3.98
6	Los Angeles (6, 6, 6)	3.65	3.52	3.73
7	Charlotte (7, 7, 7)	3.61	3.44	3.71
8	Seattle (4, 3, 17)	3.70	3.72	3.34
9	Boston (8, 9, 14)	3.58	3.37	3.39
10	Raleigh/Durham (16, 17, 9)	3.42	3.24	3.57
<b>64</b>	<b>Las Vegas (62, 64, 64)</b>	<b>2.59</b>	<b>2.46</b>	<b>2.58</b>



# LOOKING FORWARD

**How we see us**

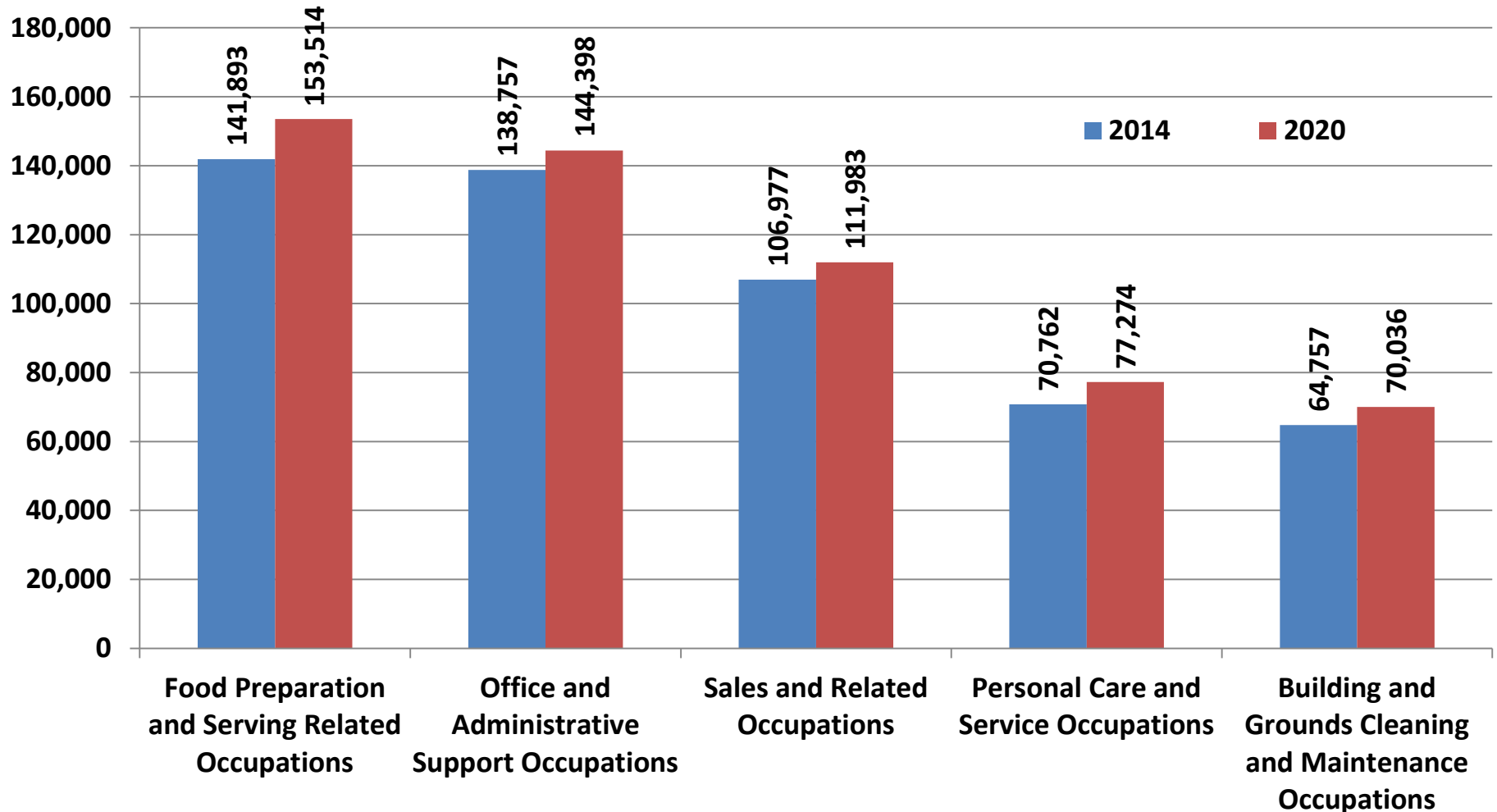
# Looking ahead: Las Vegas MSA poised to continue making strides.

Las Vegas MSA Population/Employment Forecast (% Change): 2014-2015

Las Vegas MSA (Pop./Emp.)	2014	2015
Population*	2.0%	2.1%
Population**	1.8%	1.8%
Population***	1.3%	1.4%
Employment**	1.9%	1.9%

# Food service and administration jobs lead Las Vegas industries in size.

Top 5 Las Vegas Industries, by Total Jobs: 2014-2020



# Service jobs will continue to lead.

## Las Vegas Top 10 Job Forecast (# Change): 2014-2020

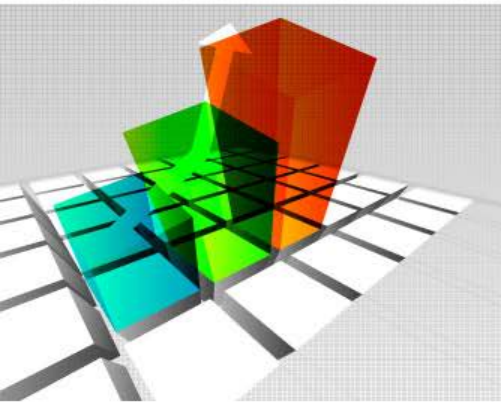
Rank	Description	2014 Median Hourly Earnings	Job Growth (2014-2020)
1	Food Preparation and Serving Related Occupations	\$12.11	11,621
2	Personal Care and Service Occupations	\$12.21	6,512
3	Office and Administrative Support Occupations	\$15.68	5,641
4	Building and Grounds Cleaning and Maintenance Occupations	\$14.73	5,279
5	Sales and Related Occupations	\$14.28	5,006
6	Healthcare Practitioners and Technical Occupations	\$39.41	3,843
7	Transportation and Material Moving Occupations	\$16.16	3,690
8	Healthcare Support Occupations	\$15.17	2,376
9	Management Occupations	\$39.32	2,254
10	Business and Financial Operations Occupations	\$27.22	2,056

# Healthcare & STEM jobs will grow by greatest amount, by percentage.

Las Vegas Top 10 Job Forecast (% Change): 2014-2020

Rank	Description	2014 Median Hourly Earnings	% Chng Jobs (2014-2020)
1	Healthcare Support Occupations	\$15.17	13.1%
2	Community and Social Service Occupations	\$23.23	11.8%
3	Computer and Mathematical Occupations	\$33.26	11.4%
4	Life, Physical, and Social Science Occupations	\$32.76	10.5%
5	Healthcare Practitioners and Technical Occupations	\$39.41	10.5%
6	Arts, Design, Entertainment, Sports, and Media Occupations	\$20.98	9.9%
7	Personal Care and Service Occupations	\$12.21	9.2%
9	Food Preparation and Serving Related Occupations	\$12.11	8.2%
9	Building and Grounds Cleaning and Maintenance Occupations	\$14.73	8.2%
10	Legal Occupations	\$40.58	7.3%





# LOOKING FORWARD

**Where we've & where  
we're going in pictures**

*While 2015 definitely won't be another 2004 . . .*



*To infinity  
and beyond...*

*It definitely won't be another 2008 either*

...



*It's not even another 2009 – 2013. . .*



*But even though wobbly, the recovery will take hold in 2015.*



# Questions?

# RCG ECONOMICS

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