THE LOCAL VIEW
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

57 Las Vegas 3.17
58 Milwaukee 3.17
59 Spokane 3.17
60 Birmingham 3.17

Based on survey of 1,400 industry leaders.

Source: Emerging Trends in Real Estate 2015 ULI-PwC Survey.
SoNV LAGS IN PROJECTED ECONOMIC STRENGTH AMONG WESTERN METROS

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

Source: Emerging Trends in Real Estate 2015 ULI-PwC Survey.

Based on survey of 1,400 industry leaders.
THE REALITY: SOUTHERN NEVADA ECONOMY
NEVADA JOB RECOVERY FROM GREAT RECESSION AFTER 91 MONTHS

Nevada Recession Recoveries: 1948-Present

Comparison of Recession Job Growth Recoveries
% Job Losses Relative to Peak Employment Month

Source: Bureau of Labor Statistics
RECOVERY = SOMEWHAT MIXED…

Rank Among **60 Largest US Metros**: 2000-2013

<table>
<thead>
<tr>
<th>Metric</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Change (**)</td>
<td>#10</td>
</tr>
<tr>
<td>Population Growth (%)</td>
<td>#3</td>
</tr>
<tr>
<td>Employment Change (**)</td>
<td>#10</td>
</tr>
<tr>
<td>Employment Growth (%)</td>
<td>#5</td>
</tr>
<tr>
<td>Real GMP* Change (**)</td>
<td>#33</td>
</tr>
<tr>
<td>Real GMP* Growth (%)</td>
<td>#25</td>
</tr>
</tbody>
</table>

LAS VEGAS REAL GMP GROWTH IMPROVING COMING OUT OF GREAT RECESSION


Source: Bureau of Economic Analysis, RCG Economics
TAXABLE SALES NEARING ALL-TIME HG, CONTINES TO FUEL LAS VEGAS ECONOMY

Clark County Taxable Retail Sales: Nov-04 to Nov-14

Source: Nevada Department of Taxation
THE REALITY: SOUTHERN NEVADA POPULATION AND JOBS
LAS VEGAS SKILLED WORKER POOL HAS BOOMED SINCE 2000

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

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

Source: Census Bureau
JOB GROWTH HURT IN ‘01 RECESSION BUT CRIPPLED BY GREAT RECESSION


Source: Bureau of Labor Statistics
GREAT RECESSION SEVERELY REDUCED POPULATION GROWTH, NOW RECOVERING

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

Source: World Bank, Clark County Comprehensive Planning
# NEVADA JOBS BOUNCED BACK BIG IN 2013

Nevada Employment vs Rest of U.S. (% Change): 2013

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

*Source: Bureau of Labor Statistics*
“HEADLINE” UNEMPLOYMENT RATE IMPROVING BUT U-6 RATE STILL TOO HG

Nevada U-3 & U-6 Unemployment Rates: Q4-2009 to Q4 2014

Note: Quarterly figures are rolling averages of the 4 quarters ending in the noted quarter. Source: Bureau of Labor Statistics.
WAGES, AFTER ADJUSTING FOR INFLATION, REMAIN STAGNANT


THE REALITY: SOUTHERN NEVADA GAMING & TOURISM
RevPAR RECOVERING SLOWLY FROM RECESSION BUT BACK UP OVER $100

Las Vegas Valley Hotel Revenue per Available Room: Dec. 2004 to Dec. 2014

Source: Las Vegas Convention and Visitors Authority
VISITOR VOLUME AT HIGHEST LEVELS EVER & CONTINUES TO RISE


Dec-14: 3.43M

Source: Las Vegas Convention and Visitors Authority
GAMING REVENUE INCREASING DUE TO BACCARAT; NET BACCARAT STAGNANT


Source: Nevada Gaming Control Board
HENDERSON: 2015 & BEYOND
HENDERSON MAINTAINS A GOOD REPUTATION FOR LIVABILITY

Henderson & Las Vegas MSA Info: 2014

Fun Facts:
- 5th Safest City in US in 2012 (Most recent FBI crime data)
- Home to not one but two NSHE schools: College of So. Nevada-Henderson Campus & Nevada State College

Sources: Census Bureau, Federal Bureau of Investigation, Bureau of Labor Statistics, Clark County Comprehensive Planning
HENDERSON RESIDENTS OLDER, WEALTHIER THAN THOSE IN LAS VEGAS MSA

Henderson Demographic Facts: 2014

Relative to Las Vegas MSA, Henderson residents/workers are more likely…

• To be 55 years old and older, less likely to be under 35
• To be Caucasian, less likely to be a minority
• To have a higher education degree

• To have a higher income
• To be self-employed or government workers
• To live nearby workplace
• To own multiple vehicles

• To own their homes
• To live in Single Family Homes & Townhouses
• To have smaller homes

Source: Nielsen Claritas
HENDERSON RESIDENTS HAVE HIGHER INCOMES THAN LV METRO AVERAGE

Henderson & Las Vegas MSA Effective Buying Income: 2014

Source: Nielsen Claritas
HENDERSON DOMINATED BY OFFICE & SERVICE INDUSTRIES

Henderson 5 Largest Employment Sectors: 2014

- Office and Administrative Support Occupations: 14,851
- Sales and Related Occupations: 12,480
- Food Preparation and Serving Related Occupations: 11,574
- Personal Care and Service Occupations: 6,641
- Transportation and Material Moving Occupations: 5,068

Source: EMSI
HENDERSON SPECIALIZES IN SEVERAL SECTORS

Henderson Employment Sectors, as % of Las Vegas MSA: 2014

- Arts, Design, Entertainment, Sports, and Media Occupations: 12.9%
- Computer and Mathematical Occupations: 12.8%
- Healthcare Support Occupations: 12.7%
- Production Occupations: 12.1%
- Sales and Related Occupations: 11.7%

Source: EMSI
NEVADA GOED TARGETING 9 INDUSTRIES FOR STATE ECONOMIC DEVELOPMENT

Nevada’s Nine Target Industries

1. Aerospace and Defense
2. Agriculture
3. Business IT Ecosystems
4. Clean Energy
5. Health and Medical Services
6. Logistics and Operations
7. Manufacturing
8. Mining
9. Tourism, Gaming, and Entertainment
HENDERSON STEM JOBS TODAY DOMINATED BY REGISTERED NURSES

Henderson Top 10 STEM Occupations, by Jobs: 2014

- Registered Nurses: 1,177
- Pharmacy Technicians: 264
- Software Developers, Applications: 241
- Computer Systems Analysts: 227
- Pharmacists: 218
- Computer User Support Specialists: 211
- Dentists, General: 191
- Dental Hygienists: 183
- Computer Occupations, All Other: 183
- Computer Programmers: 182

Source: EMSI
RECENT HENDERSON STEM JOBS GROWTH STRONG

Henderson 5 Fastest Growing Employment Sectors, by % Growth: 2014

- Computer and Mathematical Occupations: 17.0%
- Education, Training, and Library Occupations: 15.5%
- Life, Physical, and Social Science Occupations: 13.7%
- Healthcare Support Occupations: 13.4%
- Healthcare Practitioners and Technical Occupations: 11.7%

Source: EMSI
GROWTH IN TARGETED SECTOR STEM JOBS TO OUTPACE GENERAL JOB GROWTH IN HENDERSON

Projected STEM Growth in Henderson Major* Target Industries: 2014-2020

* Note: Industries with at least 200 workers. Source: EMSI
THE REALITY: HENDERSON REAL ESTATE MARKETS
INDUSTRIAL REAL ESTATE THRIVING IN HENDERSON; OFFICE, RETAIL LAG VALLEY

Commercial Real Estate Vacancy Rates: Q3 2014

* Note: Industries with at least 200 workers. Source: EMSI
RESURGENCE IN INDUSTRIAL SPACE LED BY WAREHOUSE/DISTRIBUTION

Industrial Vacancy Rates, by Product: Q3 2014

Source: RCG Economics
CLASS A VACANCIES STILL CHALLENGING HENDERSON OFFICE MARKET
Office Vacancy Rates, by Product: Q3 2014

Source: RCG Economics
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
YESTERDAY, TODAY & TOMORROW IN PICTURES
WHILE 2015 DEFINITELY WON’T BE ANOTHER 2004 . . .
IT WON’T BE ANOTHER 2008, EITHER . . .
EVEN THOUGH STILL A BIT WOBBLY, THE RECOVERY WILL CONTINUE TO TAKE HOLD IN 2015

- Fed Policy
- Corporate Profits
- Gas Prices
- Resort Industry Health
- Recovering RE market
- Healthy Job Growth
- Population Growth
- Economic Development