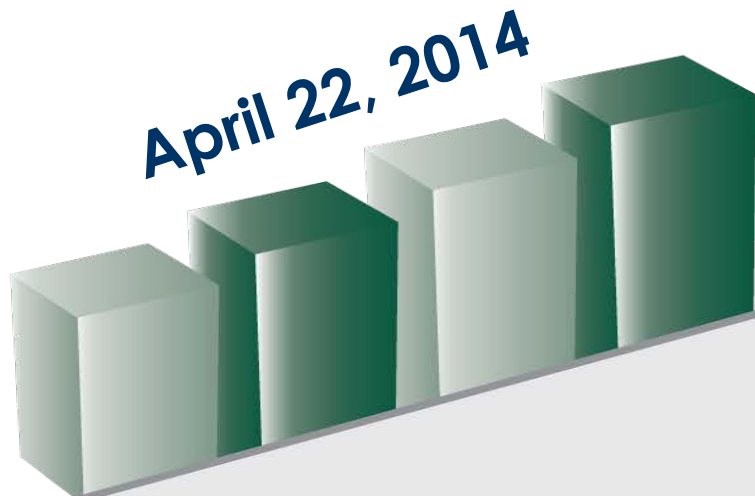


REBUILD & RECOVER

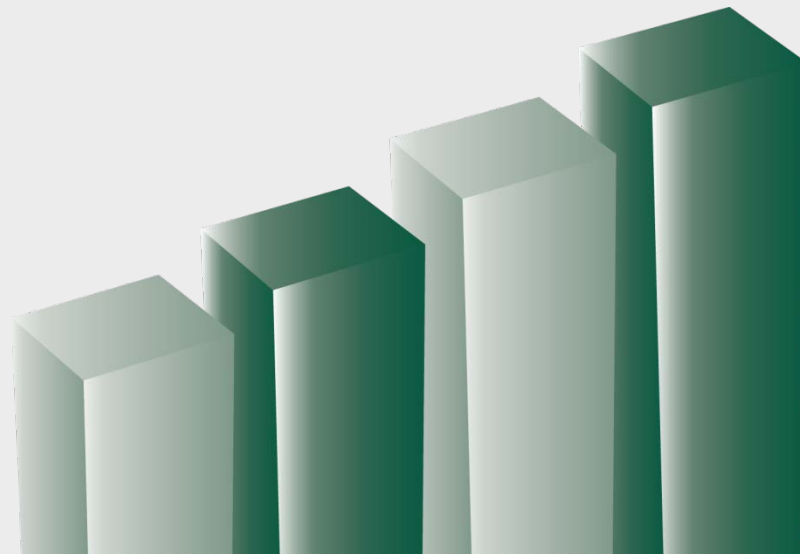
VEGAS HOUSING REPORT Suncoast Hotel & Casino April 22, 2014



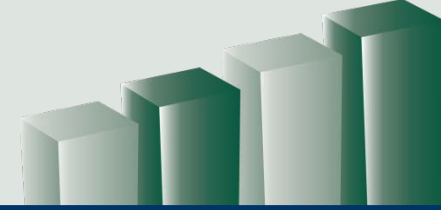
Prepared by:

RCG
ECONOMICS

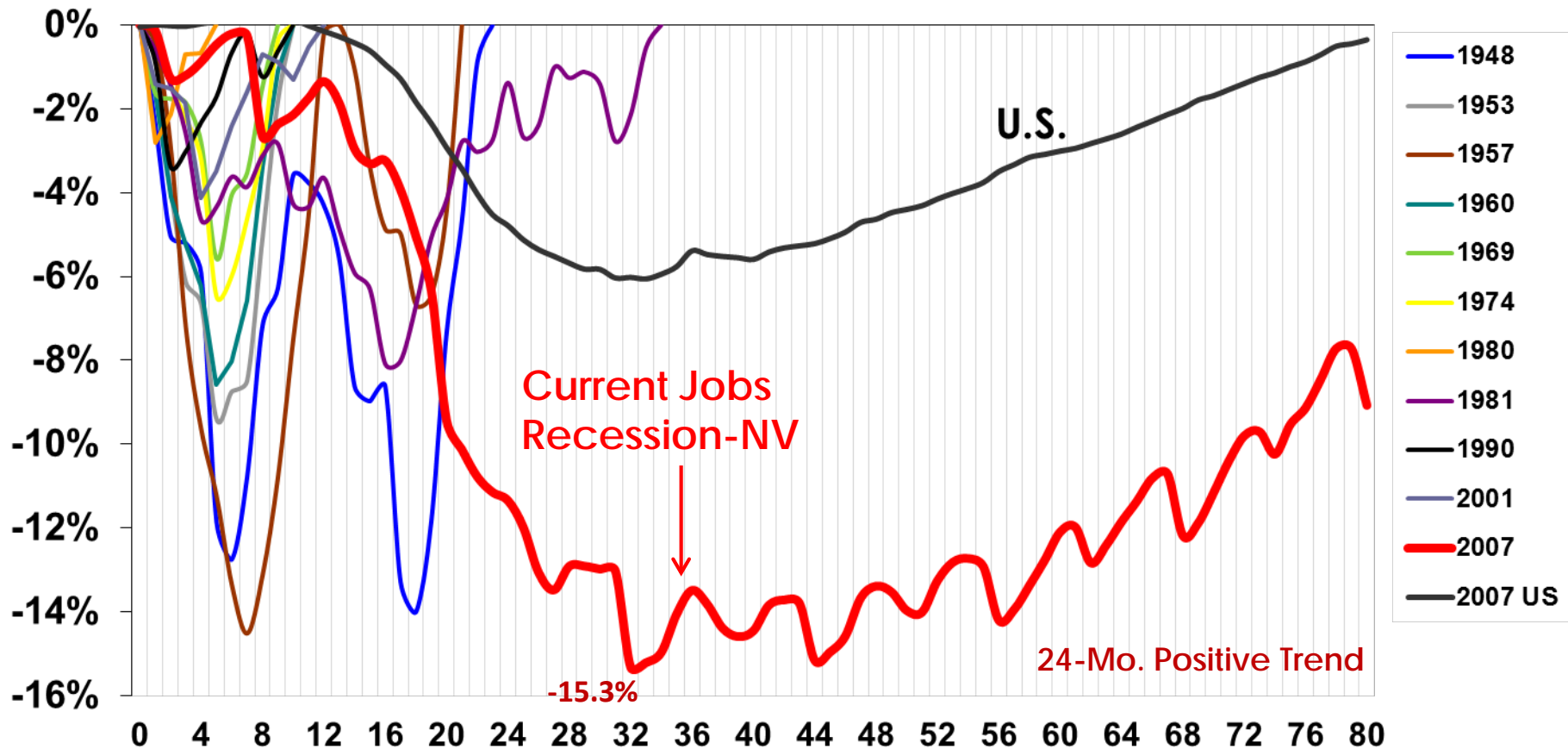
REBUILD



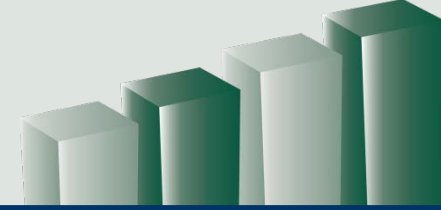
The Great Recovery continues...moderately.



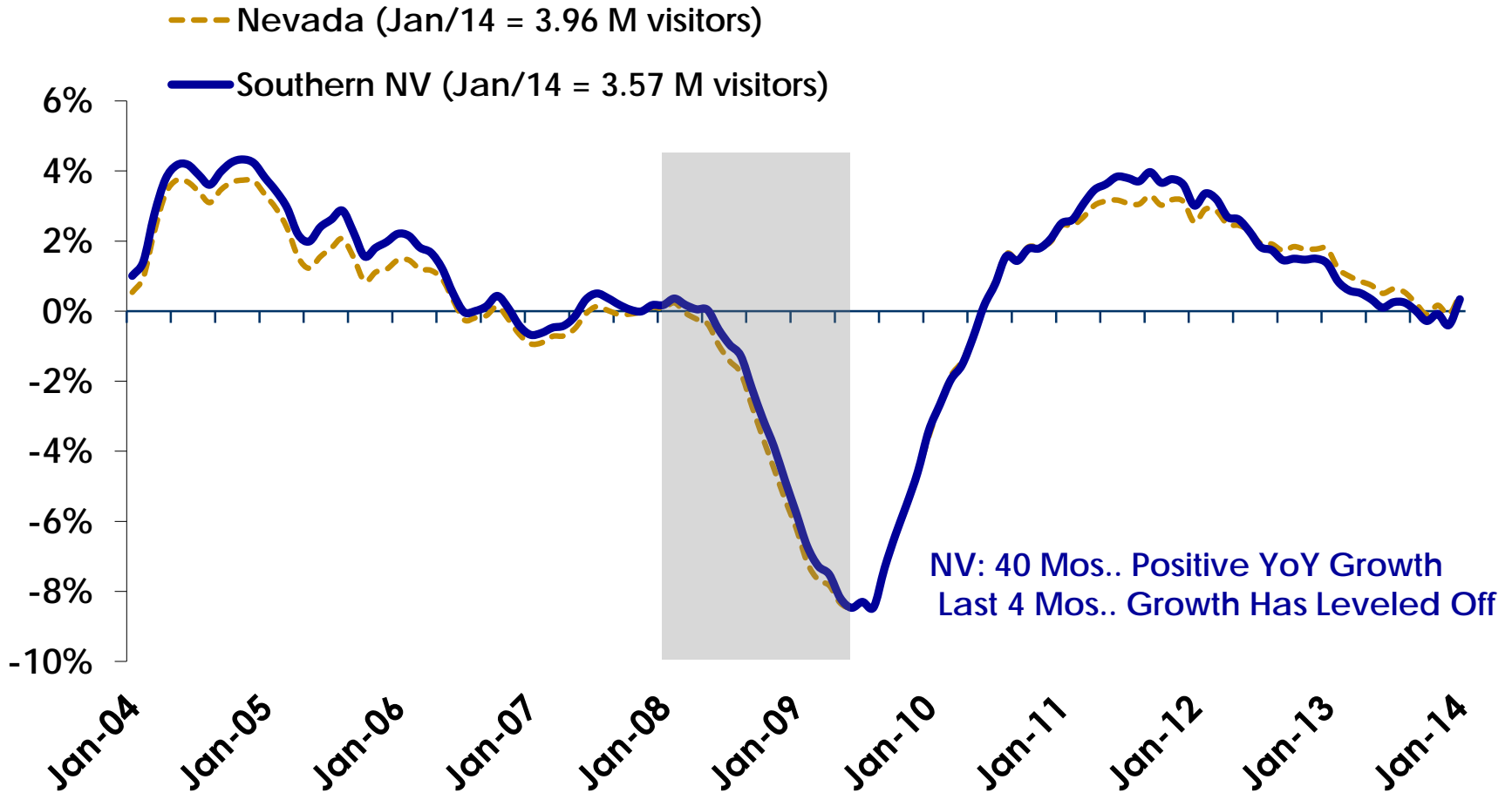
Nevada Recovery Comparison: Last 11 Recessions % Job Losses Compared to Peak Job Month (12/2007), 1948 - 2007



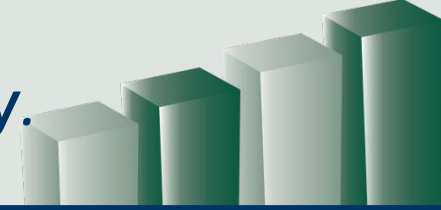
The return of visitors.



Nevada Visitation YoY Growth: 2004 – 2014

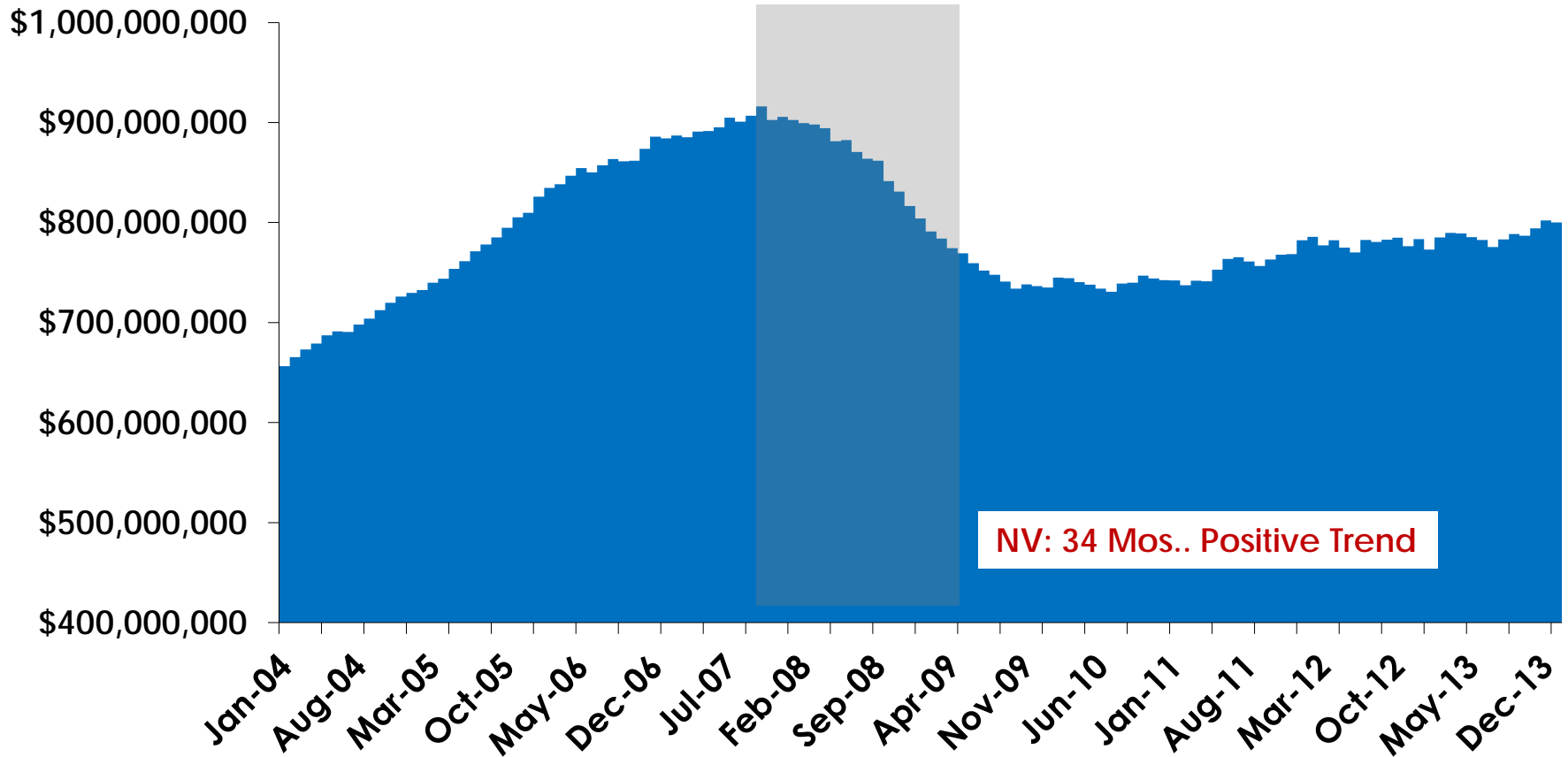


Clark County gaming market returns but slowly.

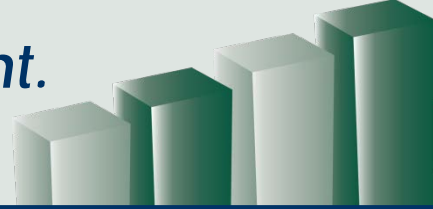


Clark County Gaming Revenue: 2004 – 2014

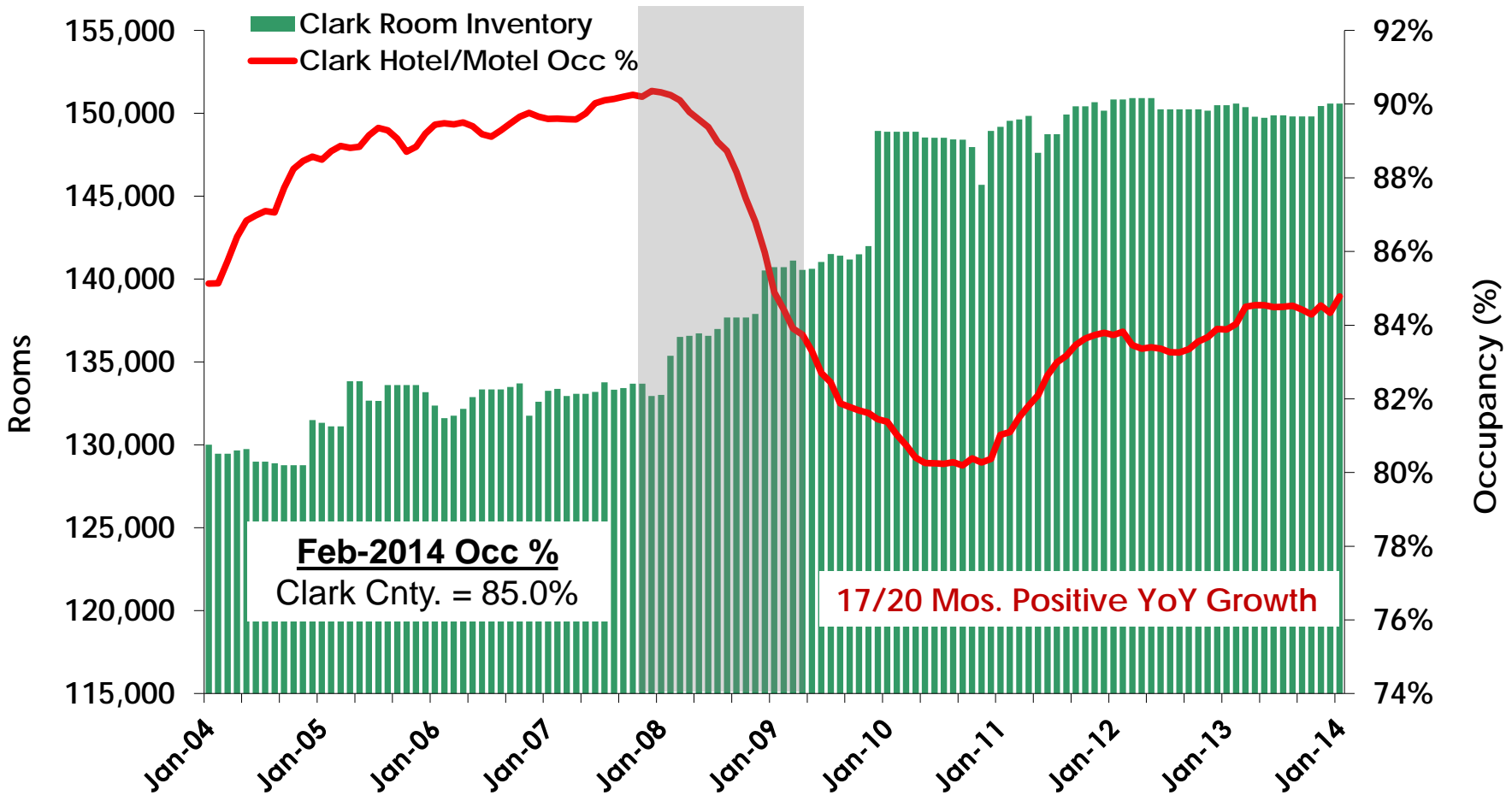
12-Month Moving Average



*Leisure & Hosp.'s improving operating environment.
Healthy increases in avg. daily room rates.*

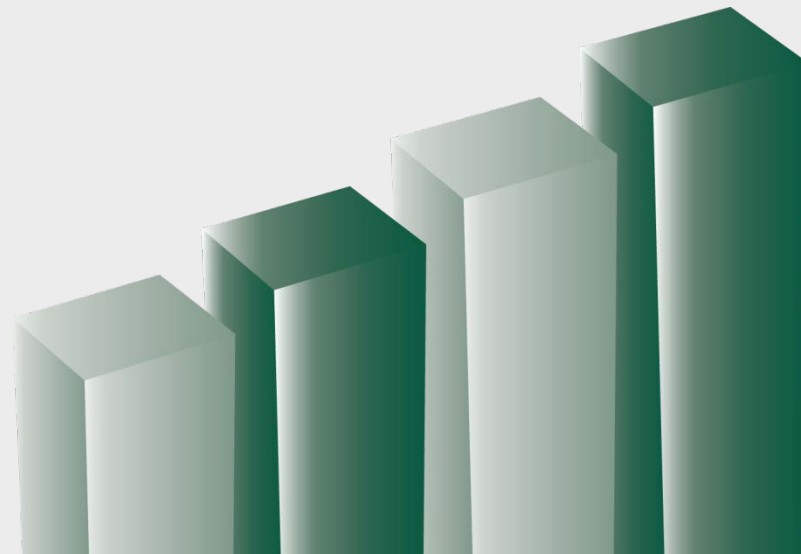


Clark County Room Inventory & Occupancy Rates: 2004 – 2014

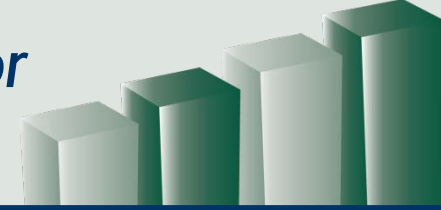


Source: Las Vegas Convention & Visitors Authority.

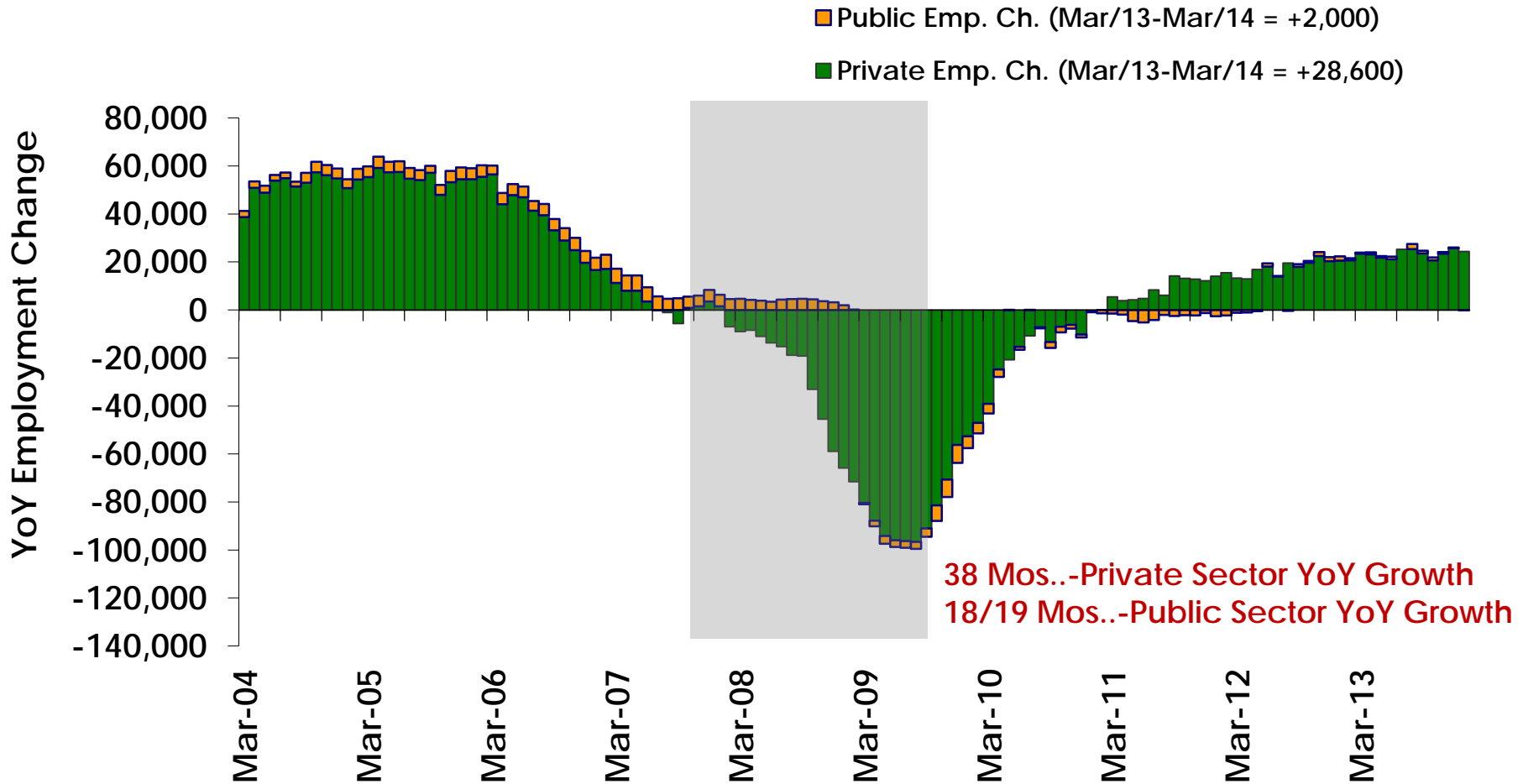
THE ECONOMY



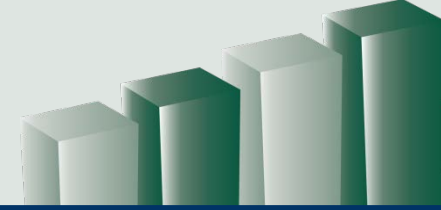
Private sector positive since 2011; public sector shows uptick beginning last year.



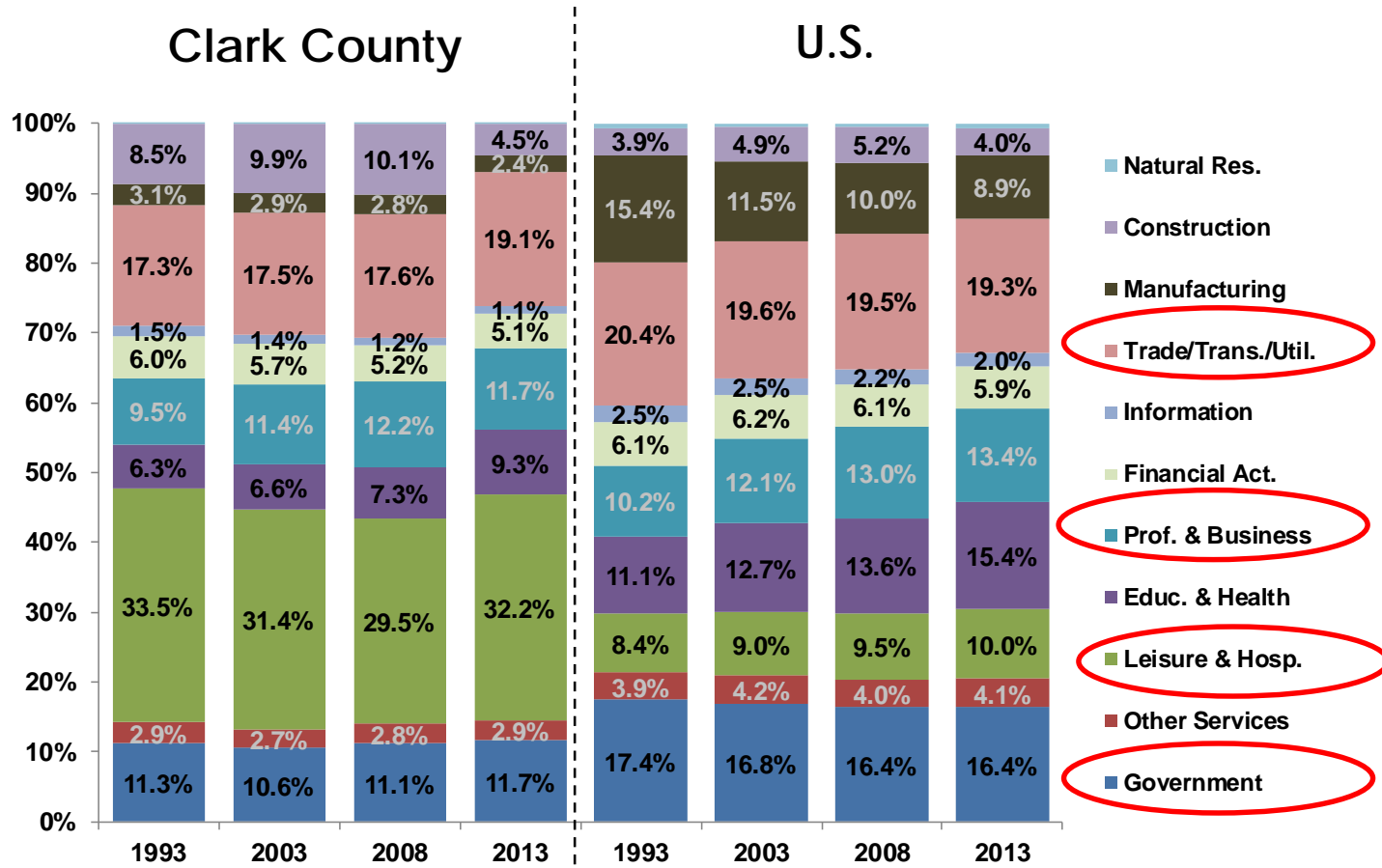
Clark County Public & Private Employment YoY Growth: 2004 - 2014



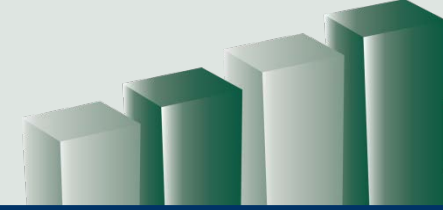
Diversified or Not? Clark County Economy



Employment by Industry: 2013



The "real" unemployment rate - beyond the official rate.

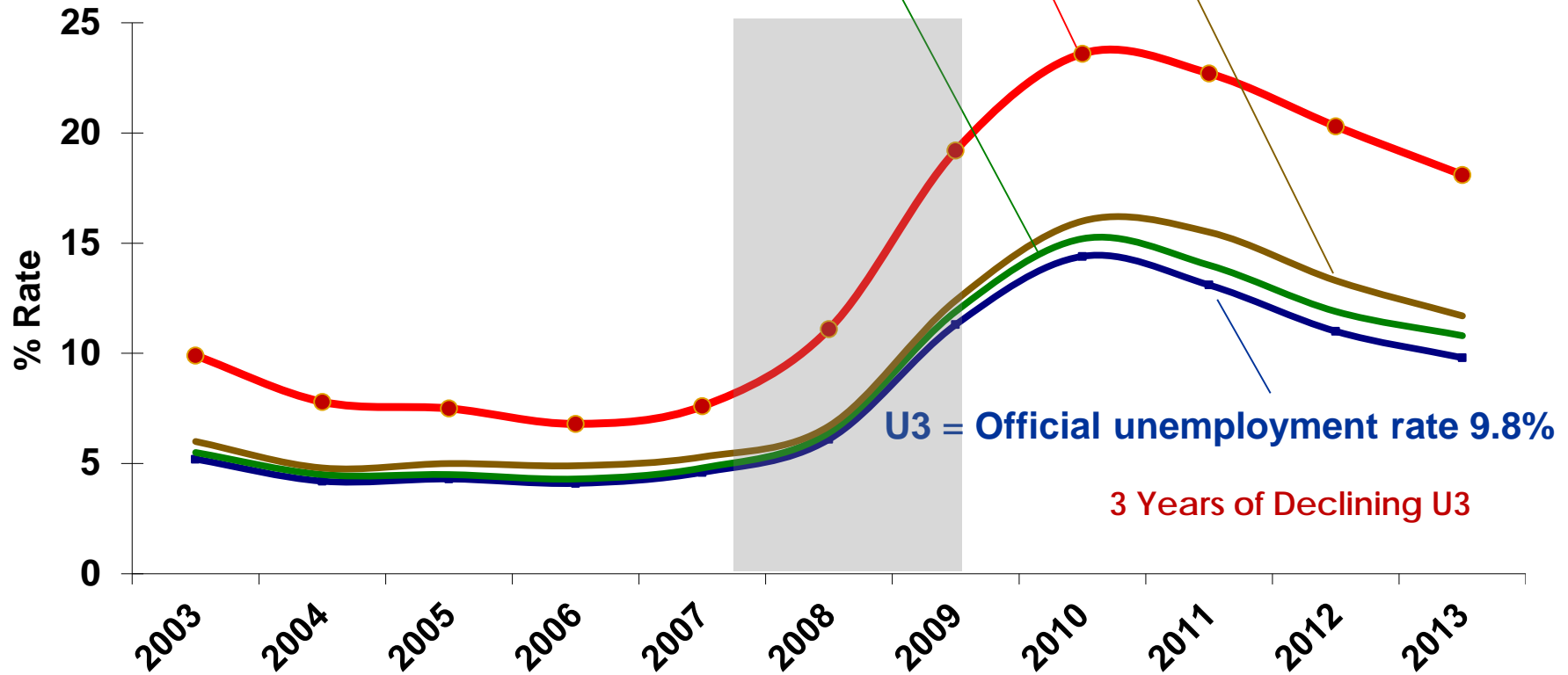


Nevada: Alternative Measures of the Nevada Unemployment Rate: 2003 - 2013

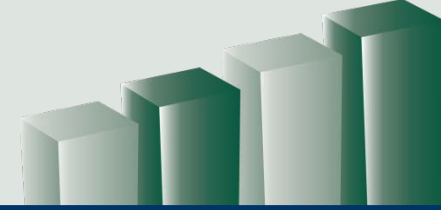
U6 = U3 + All Marginally Attached + Part-time Workers - 18.1%

U5 = U3 + Discouraged + All Other Marginally Attached Workers - 11.7%

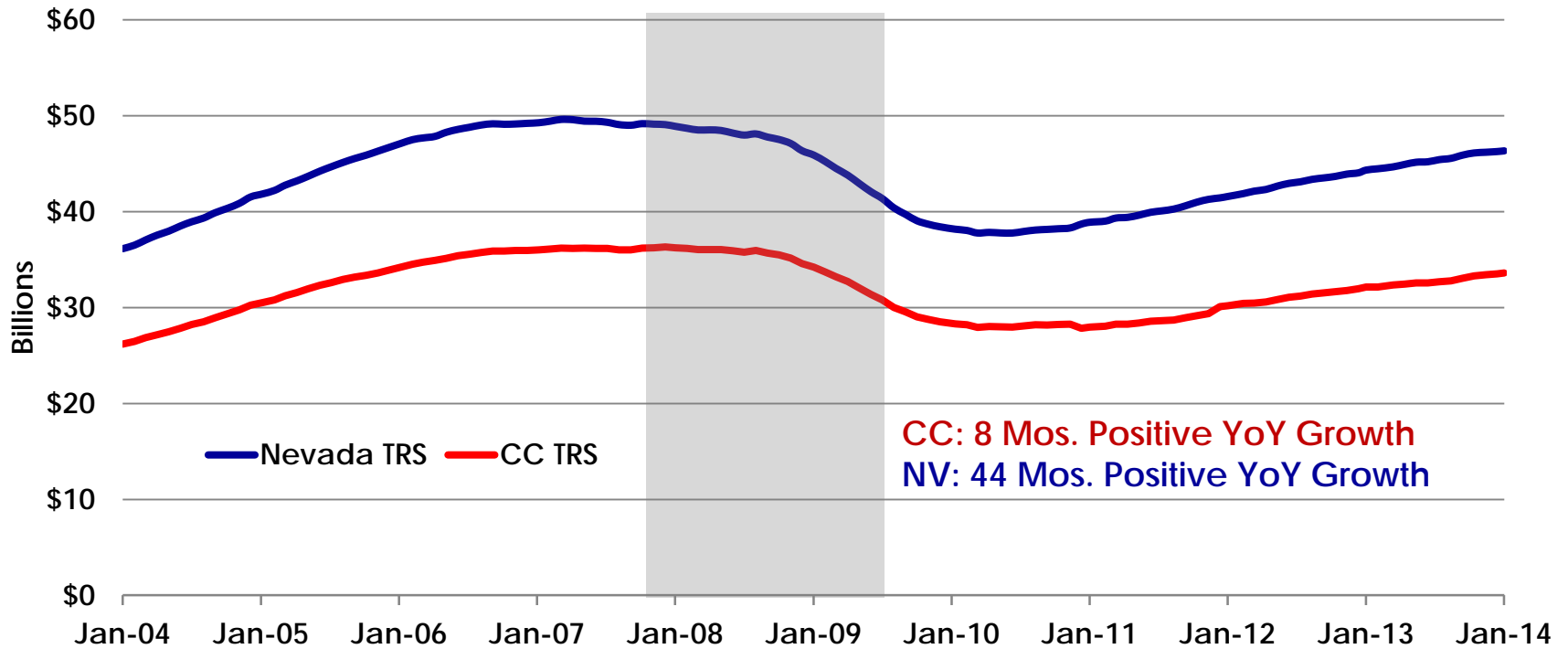
U4 = U3 + Discouraged Workers - 10.8%



Consumer spending returning. How sustainable?



Clark County & Nevada Annual Taxable Sales, \$B 12-MMA: January 2004 to January 2014

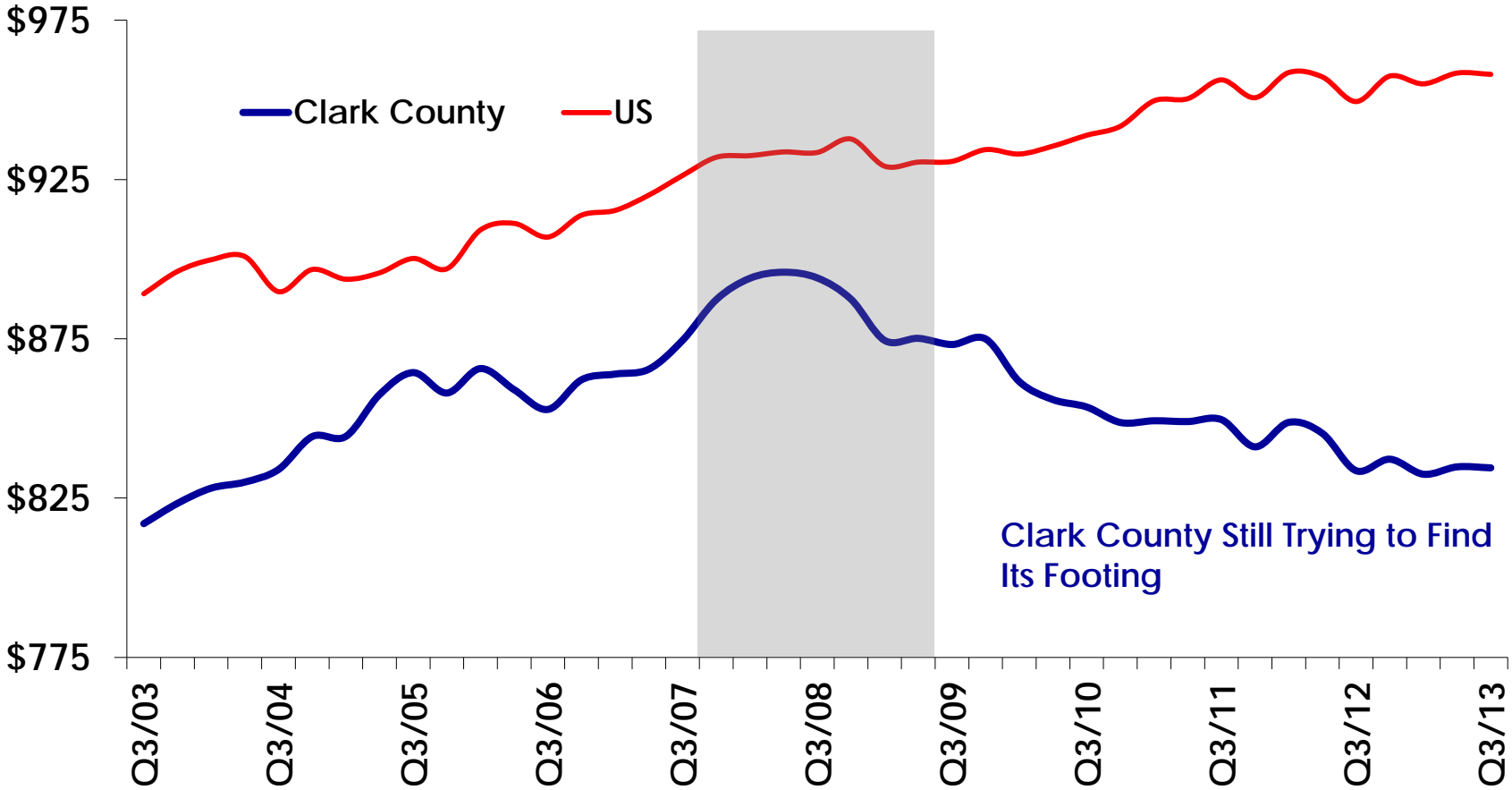


Source: Nevada Department of Taxation; calculated by RGC.

Clark County has competitive but relatively low wages. Avg. weekly wage below U.S. average.

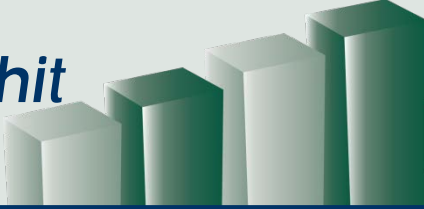


Clark County & US Average Weekly Wages – Adj. in 2013 \$

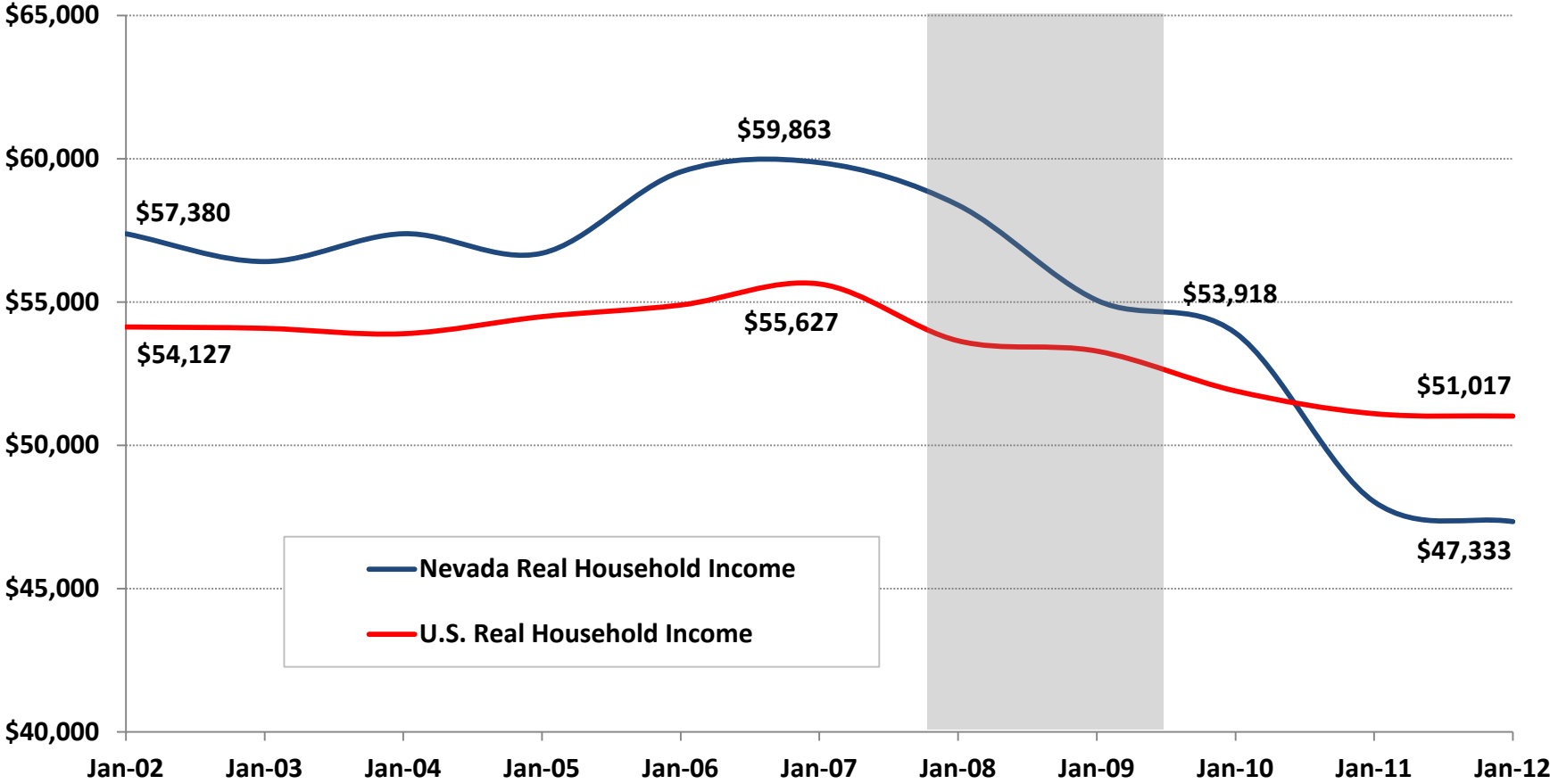


Source: U.S. Bureau of Labor Statistics. Calculated by RCG.

Nevada real household income stabilizing but hit hard between 2010 & 2012

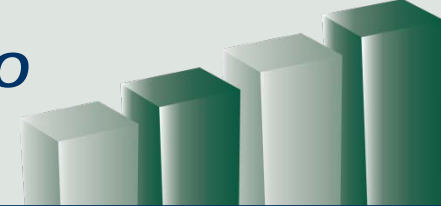


Nevada vs. US Real Household Income: Adj. in 2013 \$ (2002 to 2012)

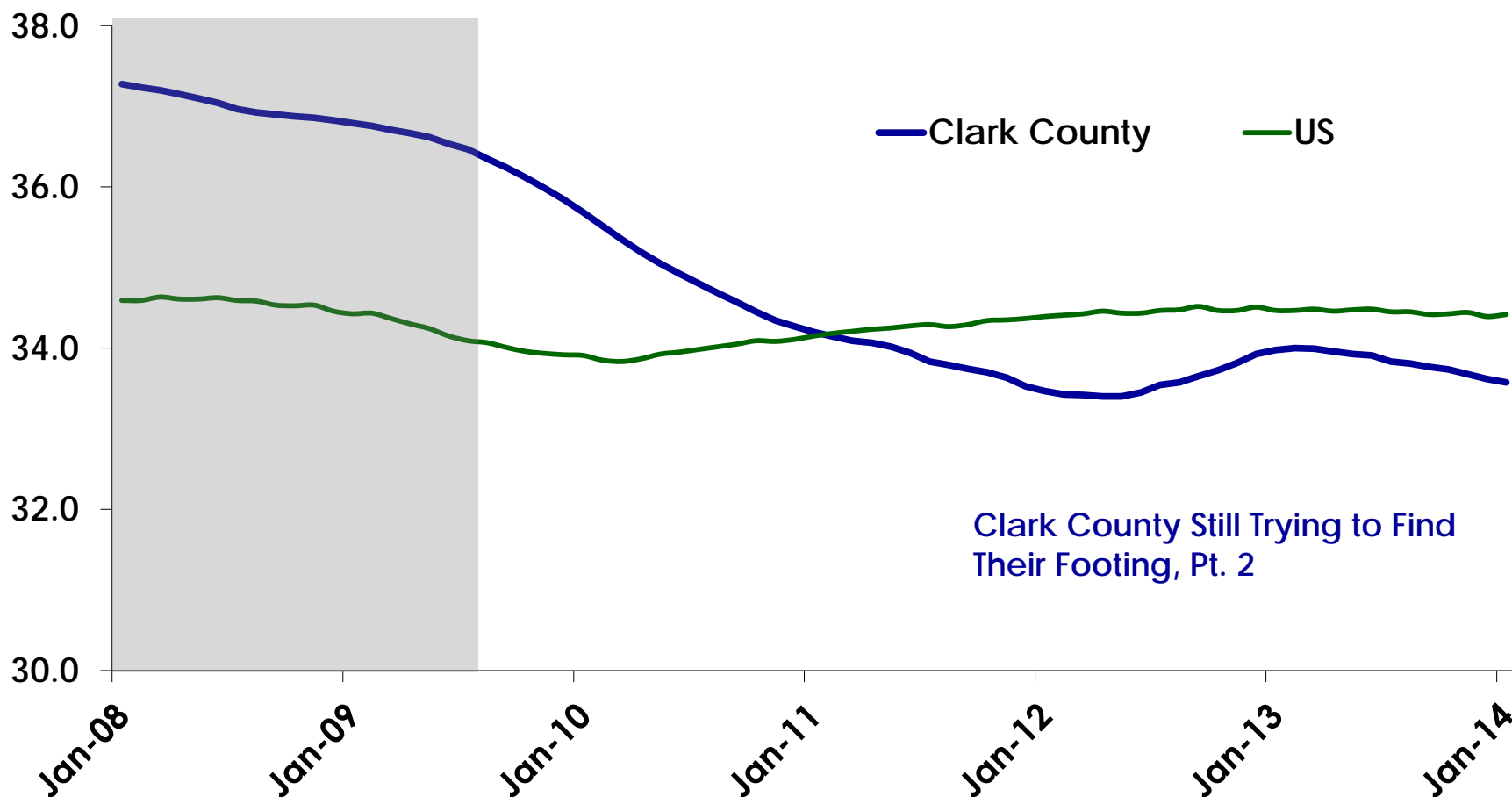


Source: U.S. Department of Commerce: Census Bureau/FRED

Clark County weekly hours worked still trying to find, but improvement expected



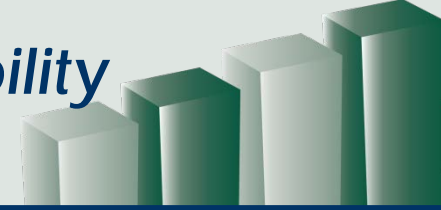
Clark County & US Average Weekly Hours Worked: 2008-2014



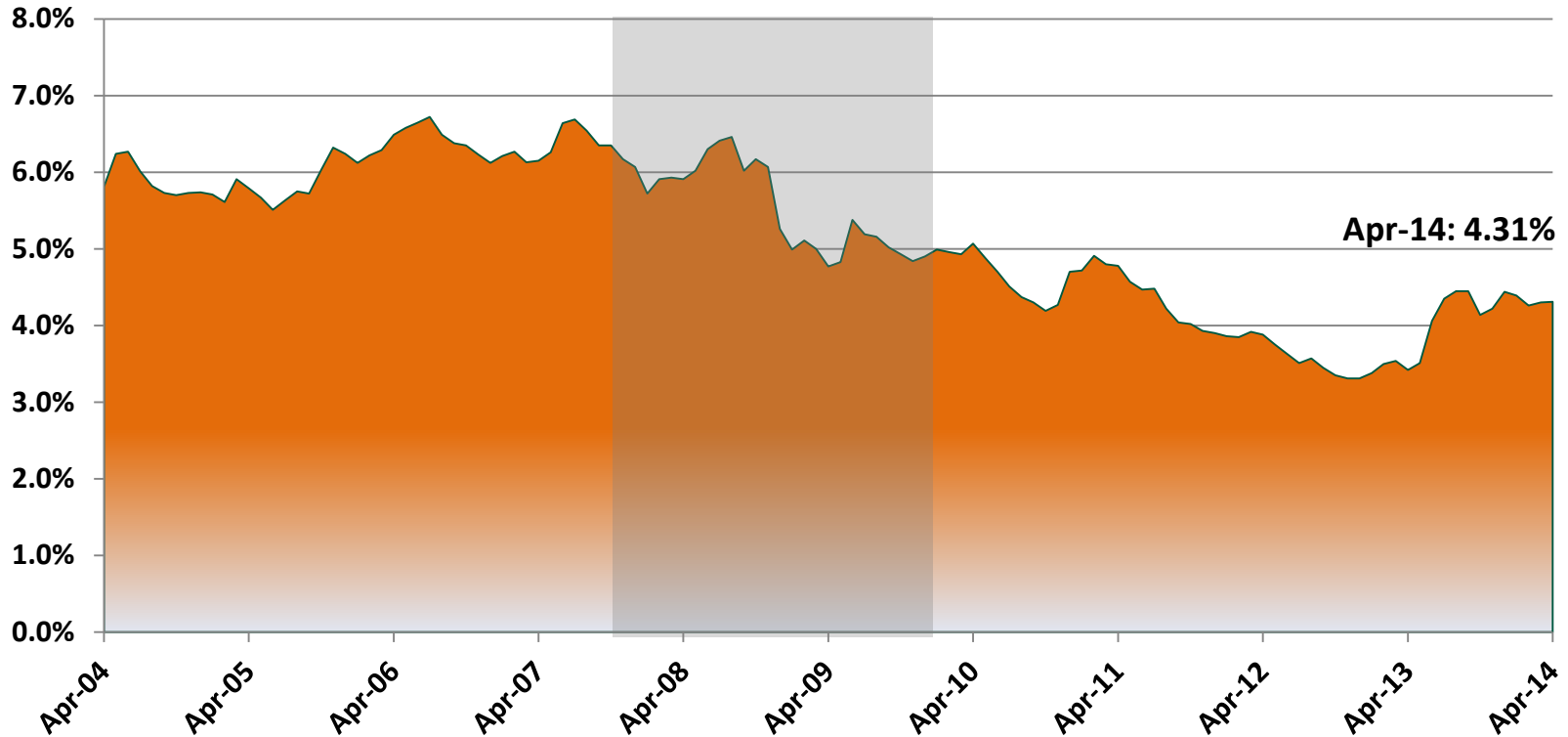
Clark County Still Trying to Find Their Footing, Pt. 2

Source: Bureau of Labor Statistics.

Rise in mortgage rates will slow effect affordability (30-yr rate has been below 6% for 5 years)

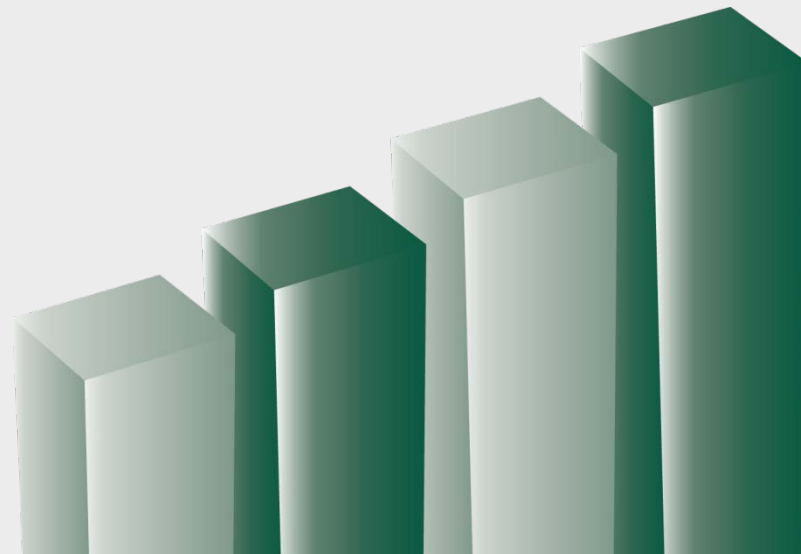


30-Year Fixed-Rate Mortgage: 04/2014-04/2014

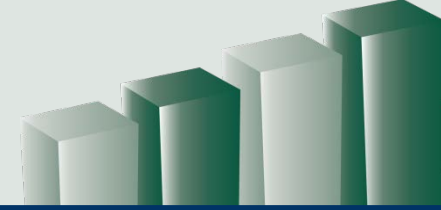


Source: St. Louis Federal Reserve

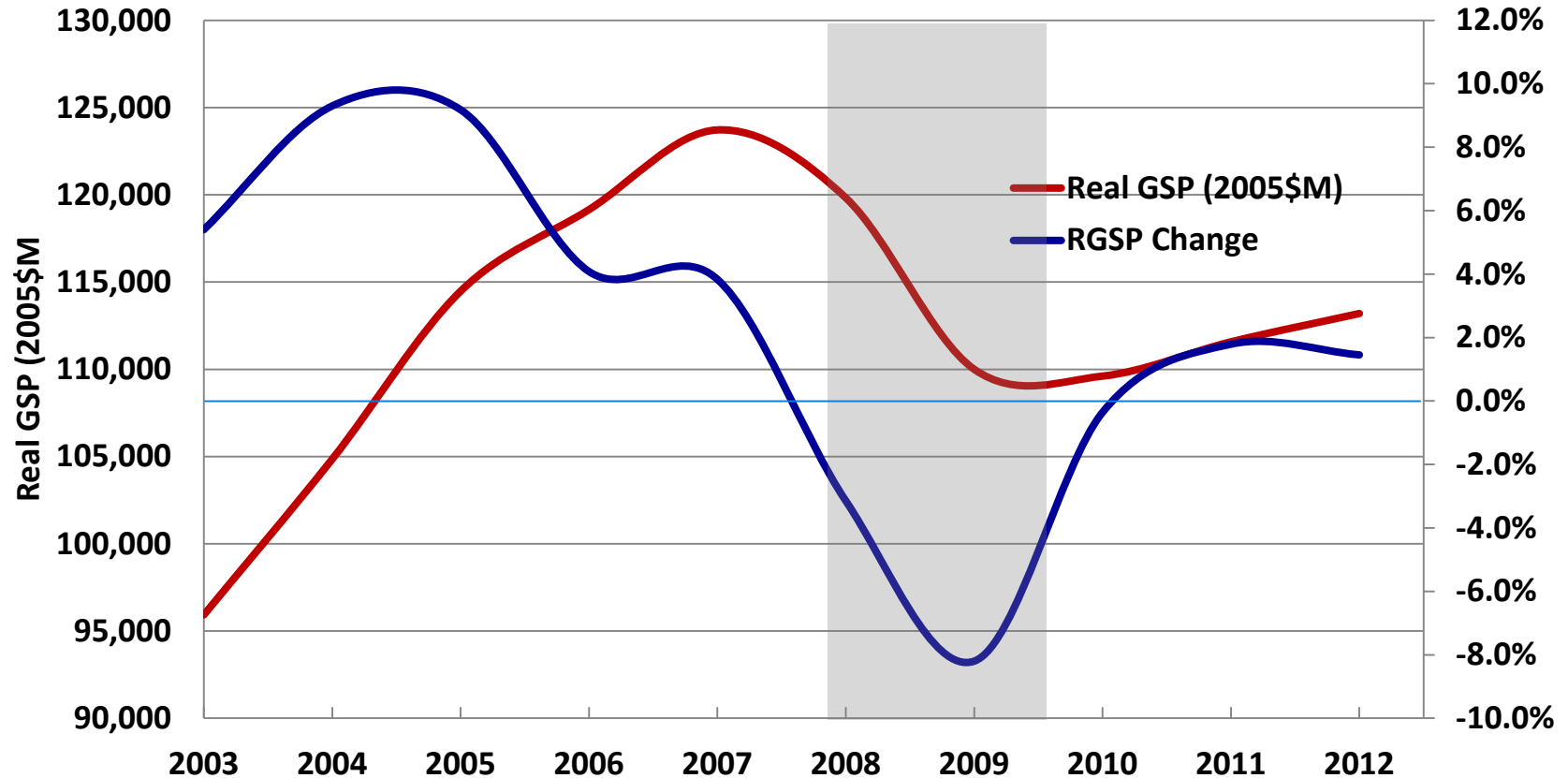
RECOVER



Nevada Gross State Product struggles to reach pre-recession peak

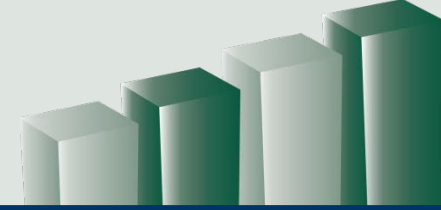


Nevada Real Gross State Product (Chained 2005\$M): 2003 to 2012

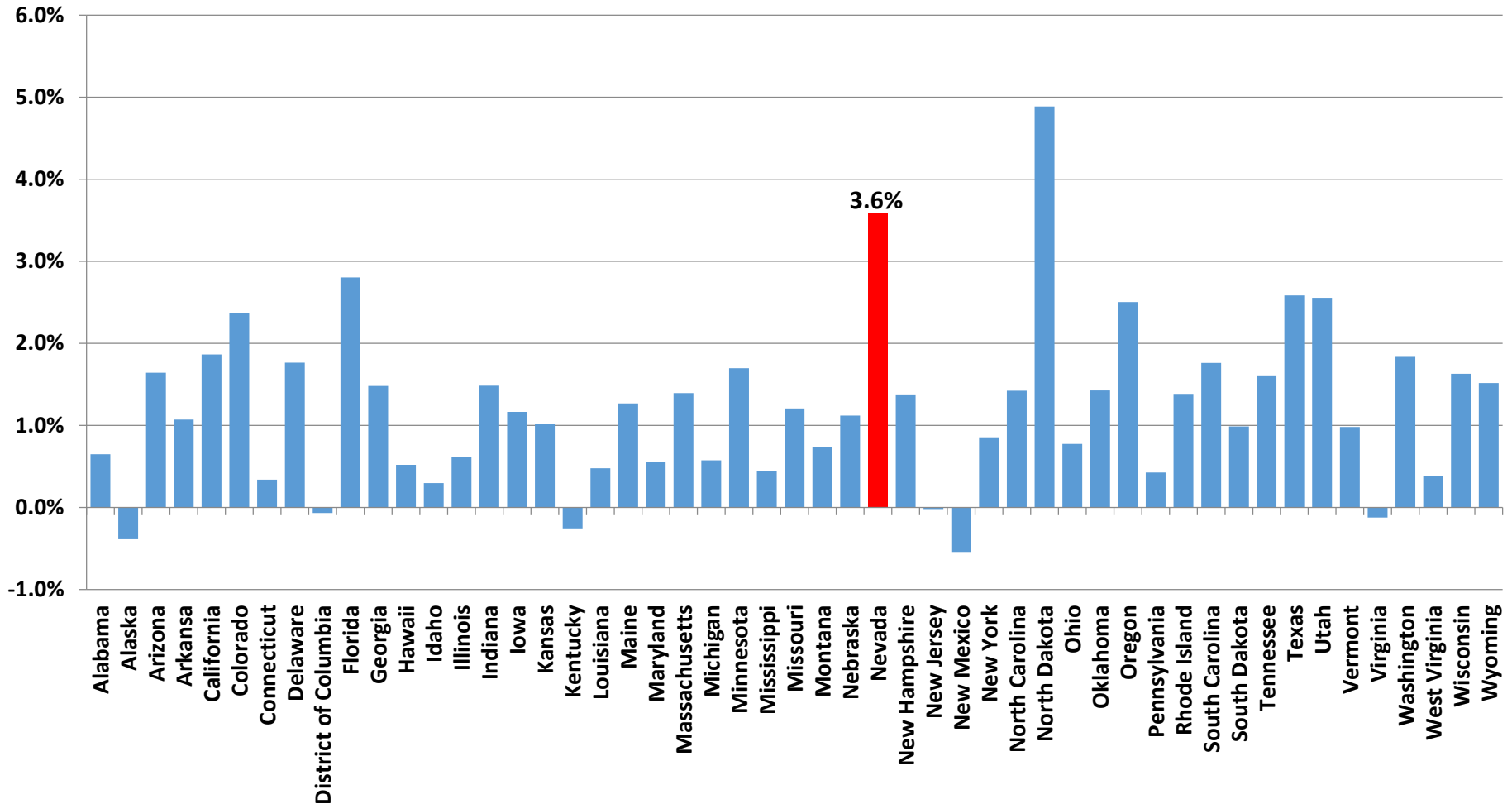


Source: U.S. Bureau of Economic Analysis

Nevada 2nd in job growth last 12 Months (North Dakota was 1st)



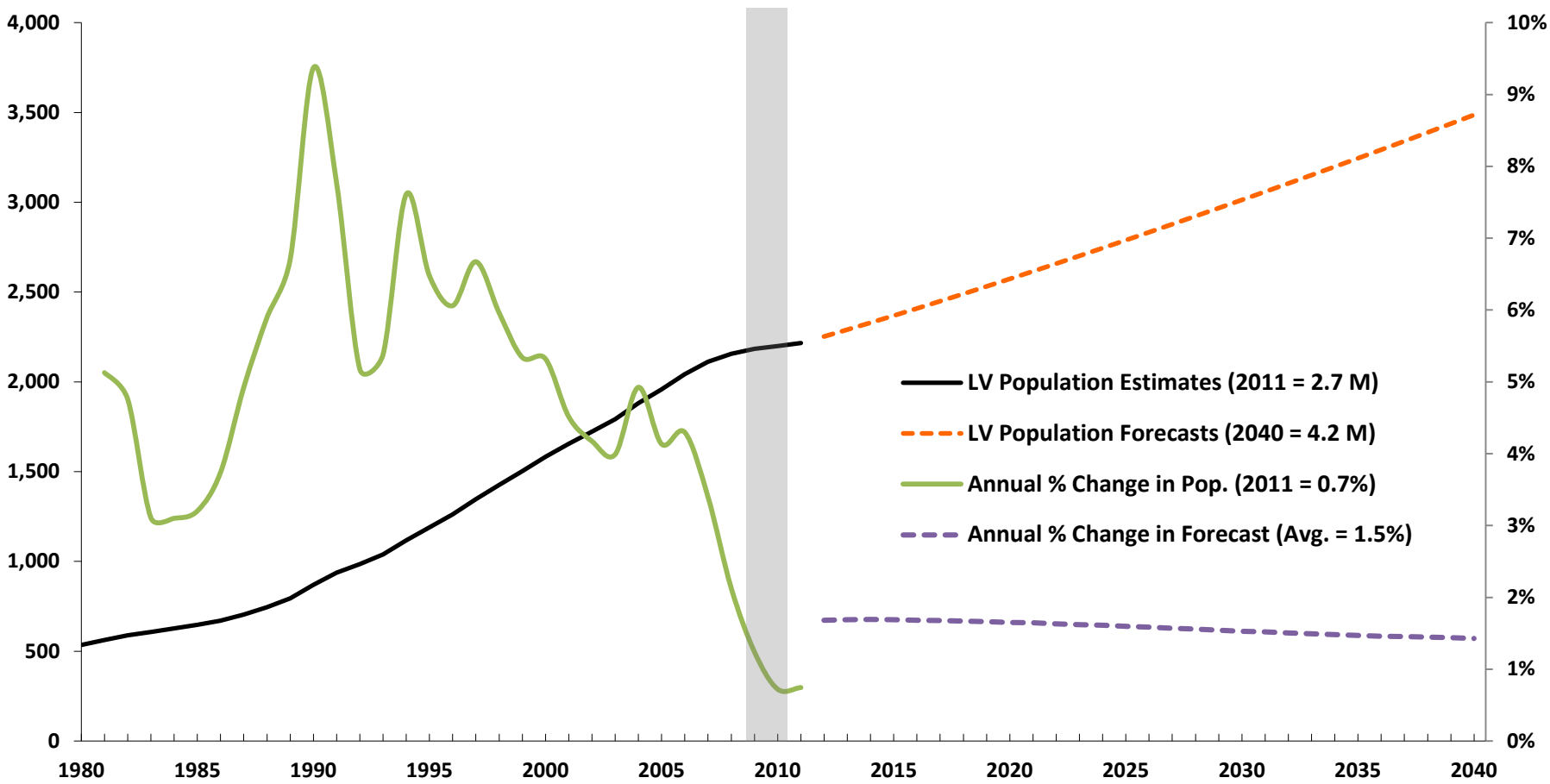
Annual % Job Growth by State, as of March 2014



Las Vegas' future actually looks pretty bright.

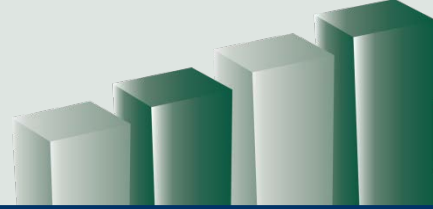


Las Vegas Population Trends & Forecasts: 1980 - 2040

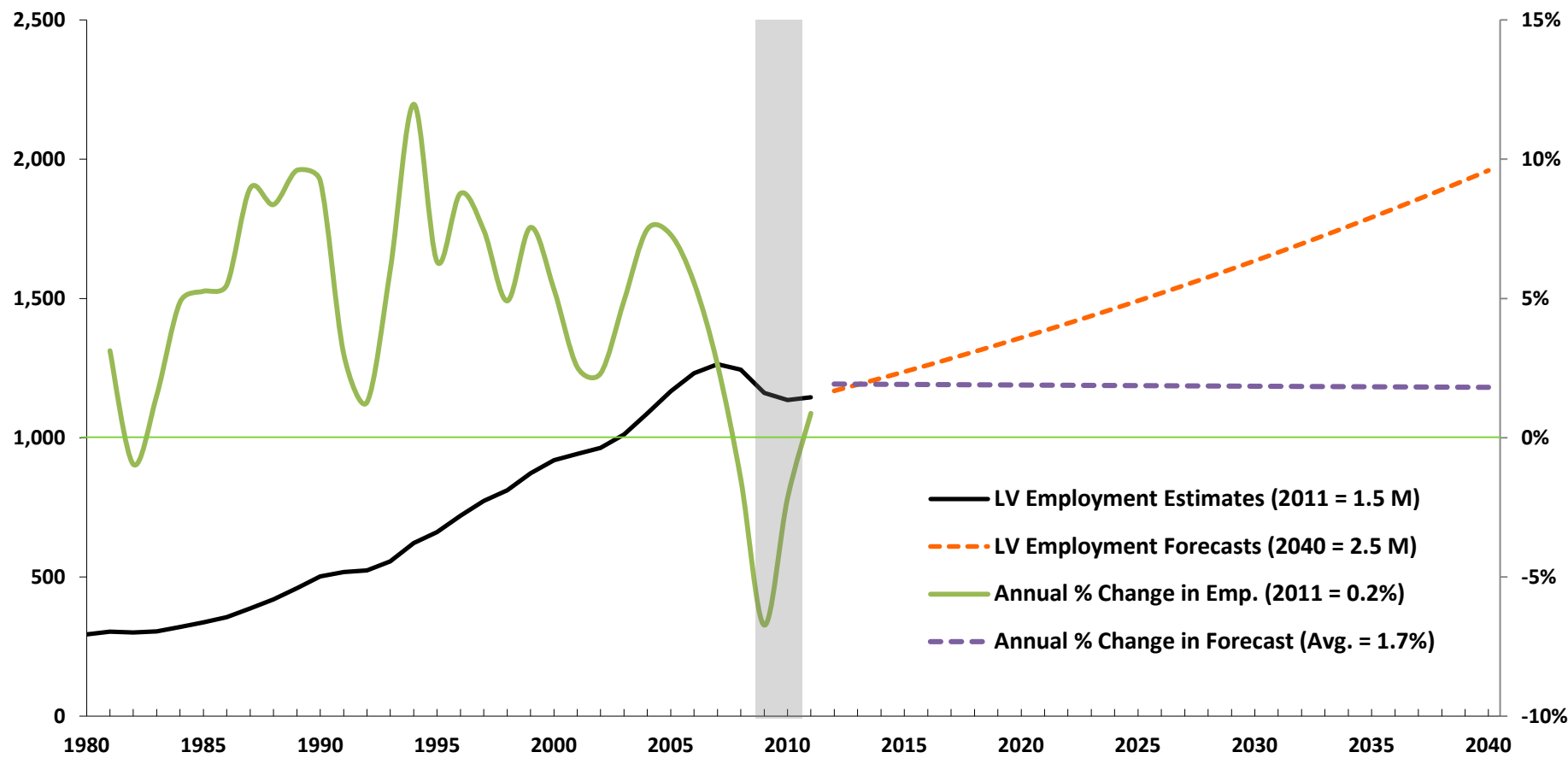


Source: Woods & Poole.

Las Vegas' future actually looks pretty bright, cont.

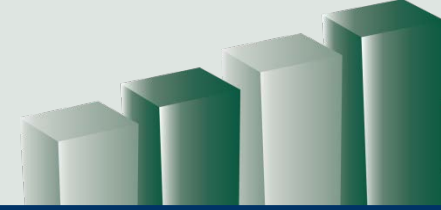


Las Vegas Employment Trends & Forecasts: 1980 - 2040



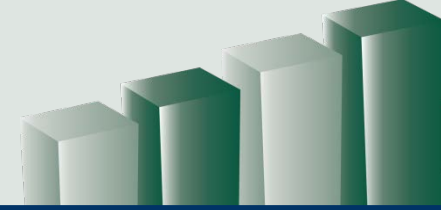
Source: Woods & Poole.

Top 10 turnaround markets in 2013

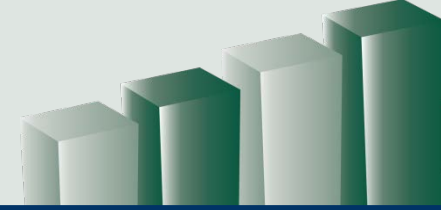


- **Detroit**
- **Santa Barbara**
- **Reno**
- **Ft. Lauderdale**
- **Ann Arbor**
- **Dallas**
- **West Palm Beach**
- **Boston**
- **Boulder**
- **Las Vegas**

Top 10 markets to watch in 2014

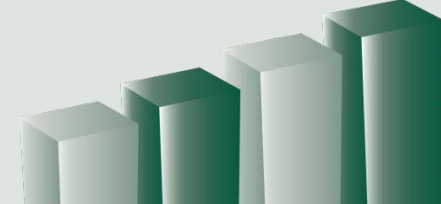


- 1. Salt Lake City**
- 2. Naples**
- 3. Tampa**
- 4. Atlanta**
- 5. Boise**
- 6. Houston**
- 7. Charlotte**
- 8. Denver**
- 9. Seattle**
- 10. Tucson**



- **Mortgage rates will likely rise**
- **Housing appreciation will rise above 5%**
- **Higher than the 2%-2.5% inflation rate**
- **But not double-digits as in 2000's**
- **All bets off if Margin Tax passes**

Forecast, cont.: Higher home prices



- Demand is up, supply is down
- 12% growth in last year (Case-Shiller Index : 20-city Average)
- 24% growth in last year (Case-Shiller Index: Las Vegas Metro)
- 29% growth in last year (Median home price: Las Vegas Metro)
- Home price growth will continue but at slower rate. Wages & Incomes are key



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