

Study Purpose & Need

NAIOP-Southern Nevada (“NAIOP”) commissioned RCG Economics (“RCG”) to prepare an analysis whose main purpose was to investigate the issue of land scarcity in Clark County (or the “Las Vegas MSA”; “Southern Nevada”). The focus of RCG’s scope of work was to evaluate whether future short- and long-term developable land constraints that could negatively impact the region’s economic resilience. The Study Period used goes from 2018 through 2035.

Note: RCG did not consider the negative impacts on the Clark County economy associated with the COVID-19 pandemic. The Study was essentially completed prior near closing of the Clark County economy in mid-March 2020.

Recommendations & Major Findings

- Nevada’s Congressional delegation should immediately and aggressively pursue changes to federal law included in the Southern Nevada Economic Development and Conservation Act to expand Southern Nevada’s disposal boundary.
- Southern Nevada will face a land shortage, stunting economic development around 2030 if nothing is done to expand regional access to lands; sooner if the BLM fails to release lands as needed.
- There are roughly 19,100 gross acres of developable employment land in 198 parcels of 20+ acres remaining in Clark County.
- Approximately 9,100 of those acres are most optimal for development. Includes federally-owned parcels that have not yet been released under SNPLMA.
- The region is projected to require about 14,100 acres of developable employment land to meet the needs of the expected economic and job growth by 2035.
- Based on the estimated 9,100 acres note above, there would be a deficit of 5,000 acres.
- Failing to ensure an adequate supply of employment land could lead to a reduction in yrly. gross regional product growth from 2.8 percent per year to 1.5 – 2.0 percent per year.

Three Forecast Scenarios Developed (2018 – 2035)

- Base-Case (No land constraints)
- 3% cost disadvantage (due to land constraints)
- 5% cost disadvantage (due to land constraints)

Economic Output Impact

Base-case: Average yrly. growth rate: 2.8% or \$119.4 billion reaching \$318.3 billion in 2035

3% cost disadvantage: Avg. yrly. growth rate: 1.9%
 Growth reduction over Study Period: \$43.6 billion or by 13.7%

5% cost disadvantage: Avg. yrly. growth: 1.3%
 Growth reduction over Study Period: \$69.5 billion or by 21.8%

Job Impact

Base-case: Avg. yrly. growth rate: 1.9% or 504,000 jobs reaching 1.8 million in 2035

3% cost disadvantage: Avg. yrly. growth rate: 1.2%
 Growth reduction over Study Period: 204,800 jobs or by 11.3%

5% cost disadvantage: Avg. yrly. job growth rate: 0.7%
 Growth reduction over Study Period: 329,100 jobs or by 18.1%

Earnings (Wages and Business Income) Impact

Base-case: Avg. yrly. growth rate: 2.8% or \$40.4 billion reaching \$109.1 billion in 2035

3% cost disadvantage: Avg. yrly. growth: 2%
 Growth reduction over Study Period: \$12.2 billion or by 11.1

5% cost disadvantage: Avg. yrly. labor income growth: 1.6%
 Growth reduction over Study Period: \$19.5 billion or by 17.9%

Gross Regional Product Impact

Base-case: Avg. yrly. growth rate: 2.8% or \$71.7 billion reaching \$191.3 billion in 2035

3% cost disadvantage: Avg. yrly. growth: 2%
 Growth reduction over Study Period = \$22.5 billion or by 11.8%

5% scenario disadvantage: Avg, yrly. growth: 1.5%
 Growth reduction over Study Period = \$36.1 billion or by 18.9%

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