

Share of market activity

Changes in the activity of the active and passive market is uncertain. Established positive trends in various market segments.

AL SALES SALES B

25%

75%

160
140
120

300
200
100
0

21
32
69

68 36 78 20 30 220 257

Active market share

V JUN JUL AUG SEP NOV DEC JAN FEB MAR

PRO	QUA	DATE	BID	ASK
€ 104.00	339	JAN	€ 942.00	€ 348.00
€ 375.00	229	FEB	€ 687.00	€ 920.00
€ 930.00	269	MAR	€ 993.00	€ 604.00
€ 107.00	437	APR	€ 228.00	€ 202.00
€ 801.00	934	MAY	€ 468.00	€ 685.00
€ 691.00	933	JUN	€ 609.00	€ 963.00
€ 933.00	691	JUL	€ 617.00	€ 240.00
€ 934.00	801	AUG	€ 939.00	€ 858.00
€ 337.00	107	SEP	€ 654.00	€ 248.00
	930	OCT	€ 911.00	€ 952.00
	871	NOV	€ 829.00	€ 715.00
	104	DEC	€ 748.00	€ 542.00

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ECONOMIC CONDITIONS:

WHAT TO WATCH GOING INTO 2015



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US ECONOMY



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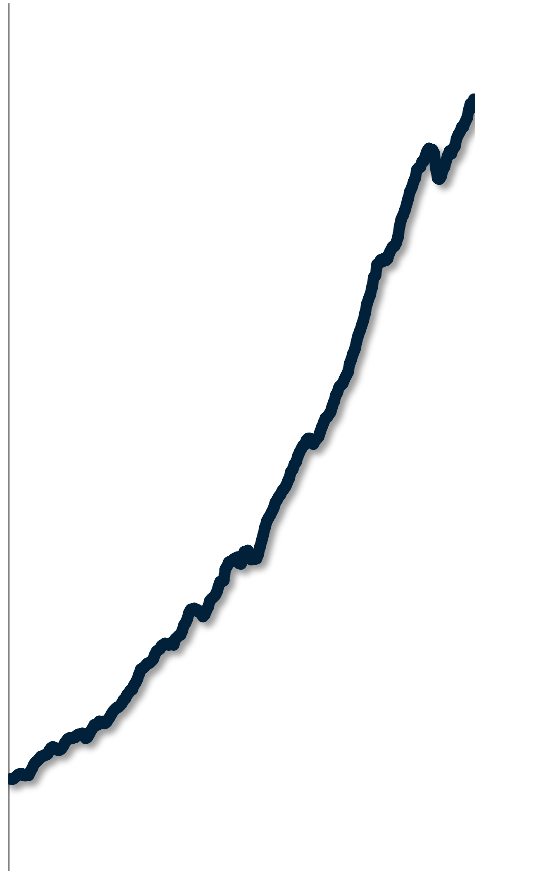
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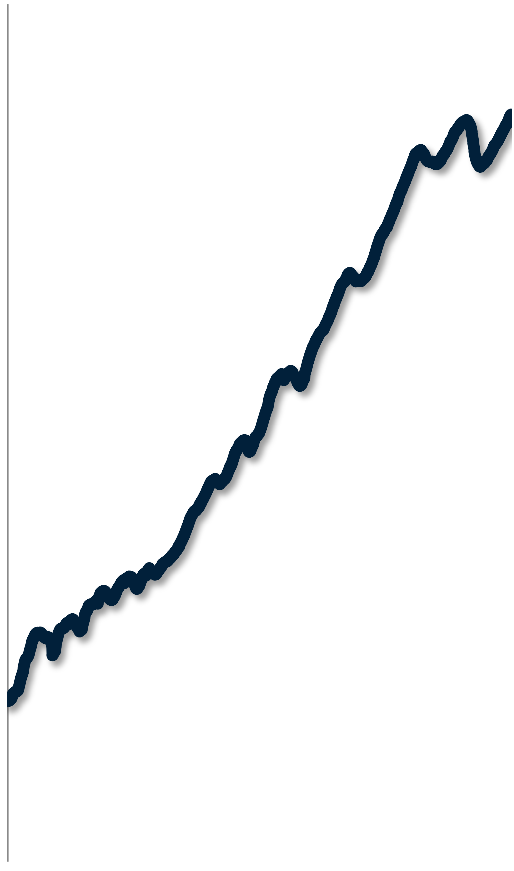
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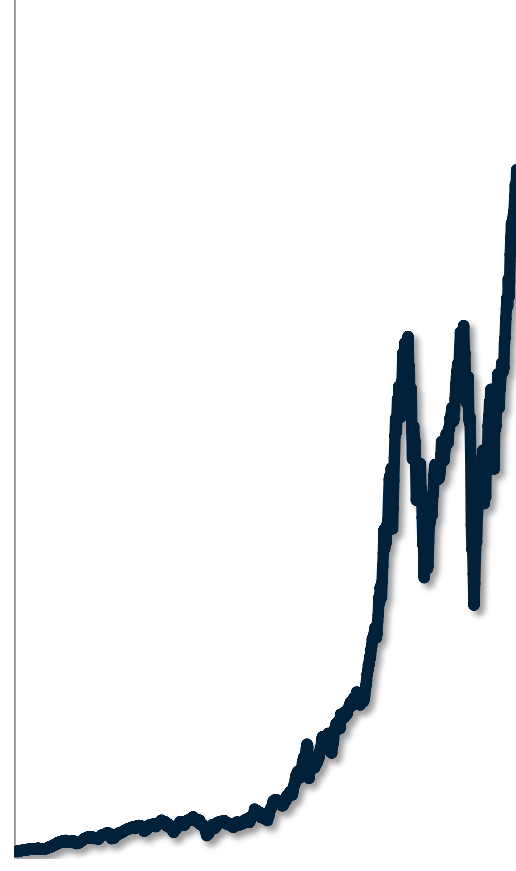
Real GDP



Employment



S&P 500



Source: United States Bureau of Economic Analysis, United States Bureau of Labor Statistics and Yahoo! Finance

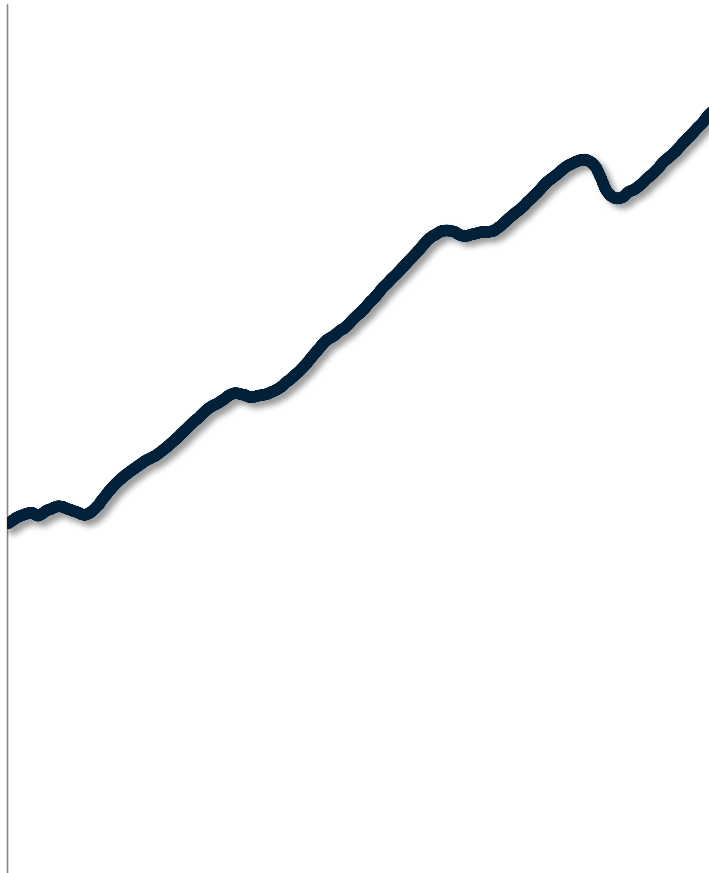


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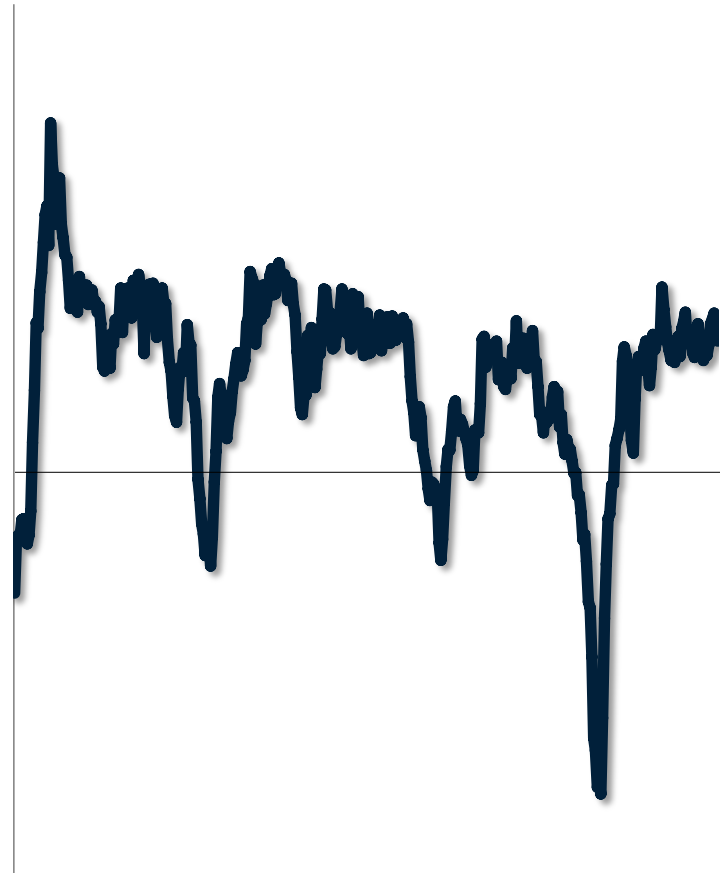
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Coincident Index



Leading Index



Source: Federal Reserve Bank of Philadelphia

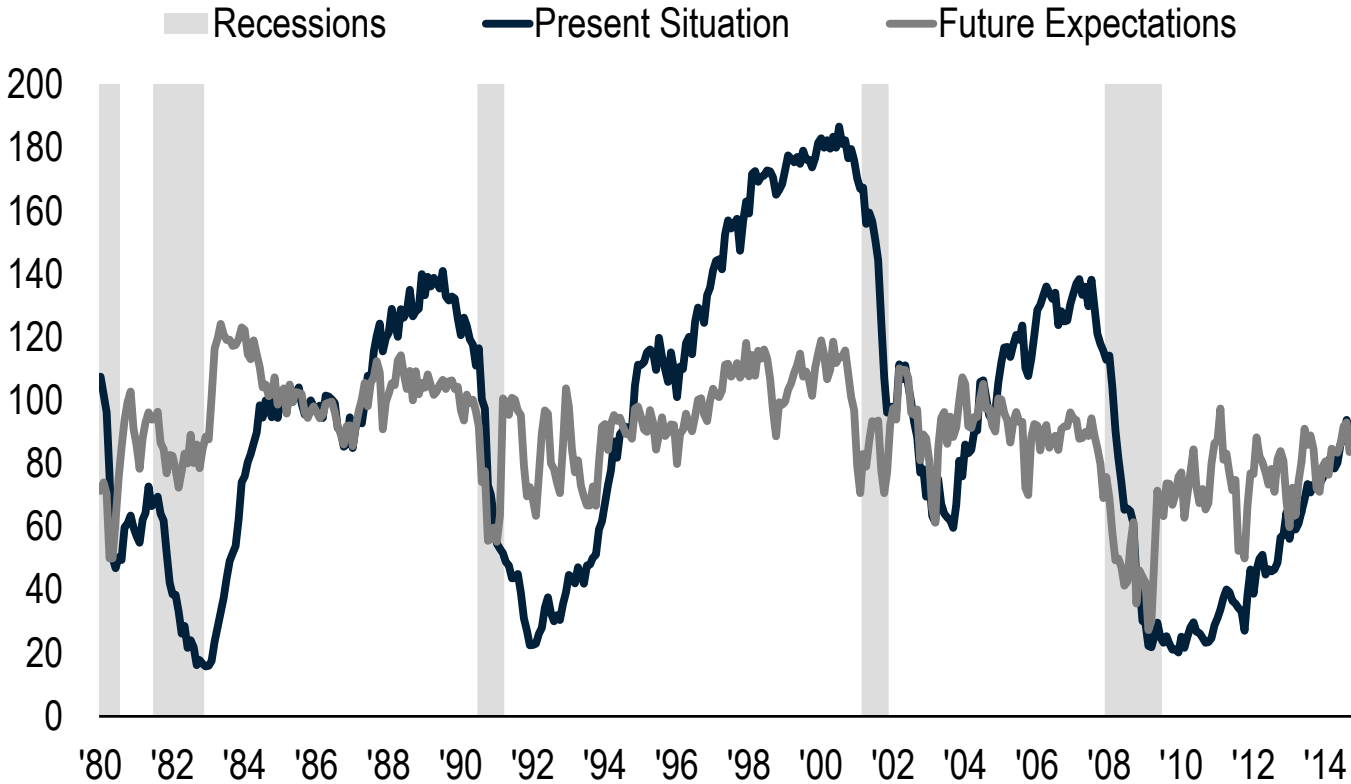


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Consumer Confidence Index



Source: The Conference Board

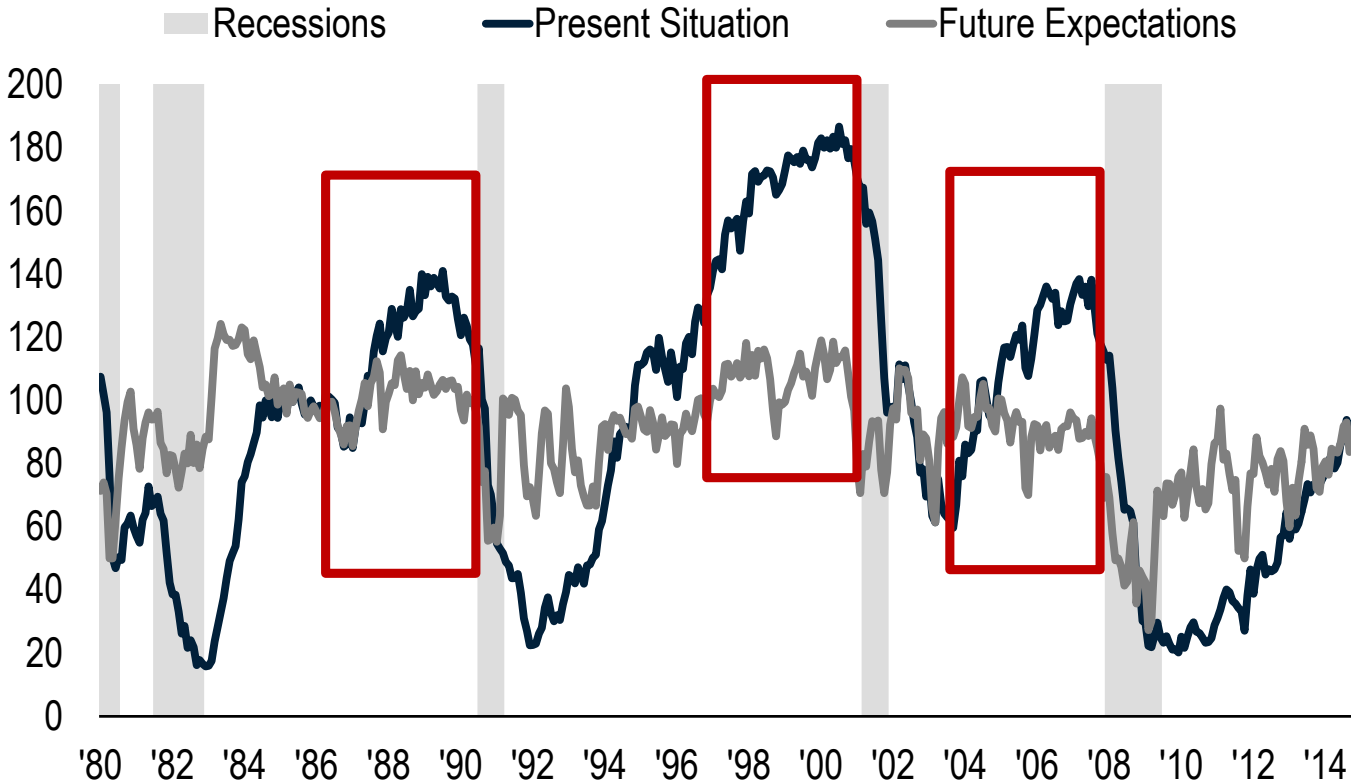


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Consumer Confidence Index



Source: The Conference Board

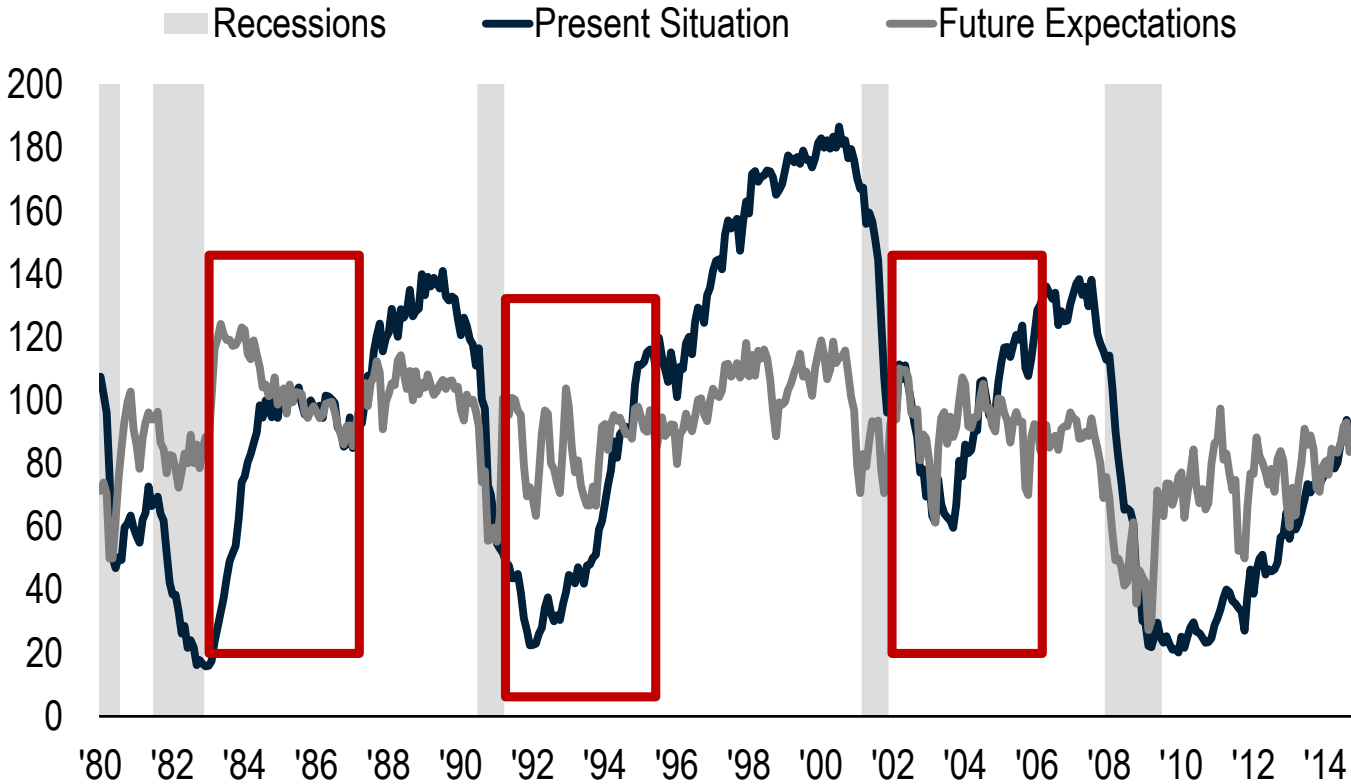


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Consumer Confidence Index



Source: The Conference Board

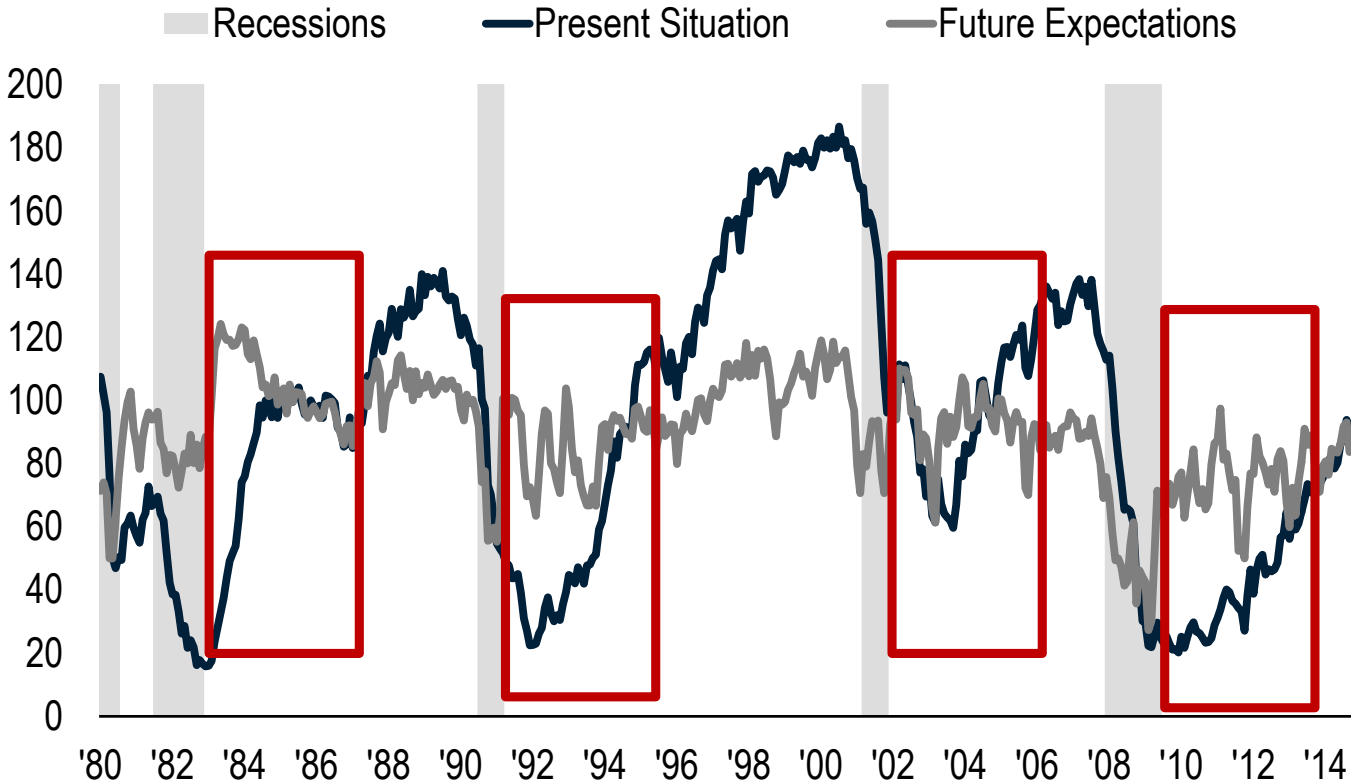


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Consumer Confidence Index



Source: The Conference Board

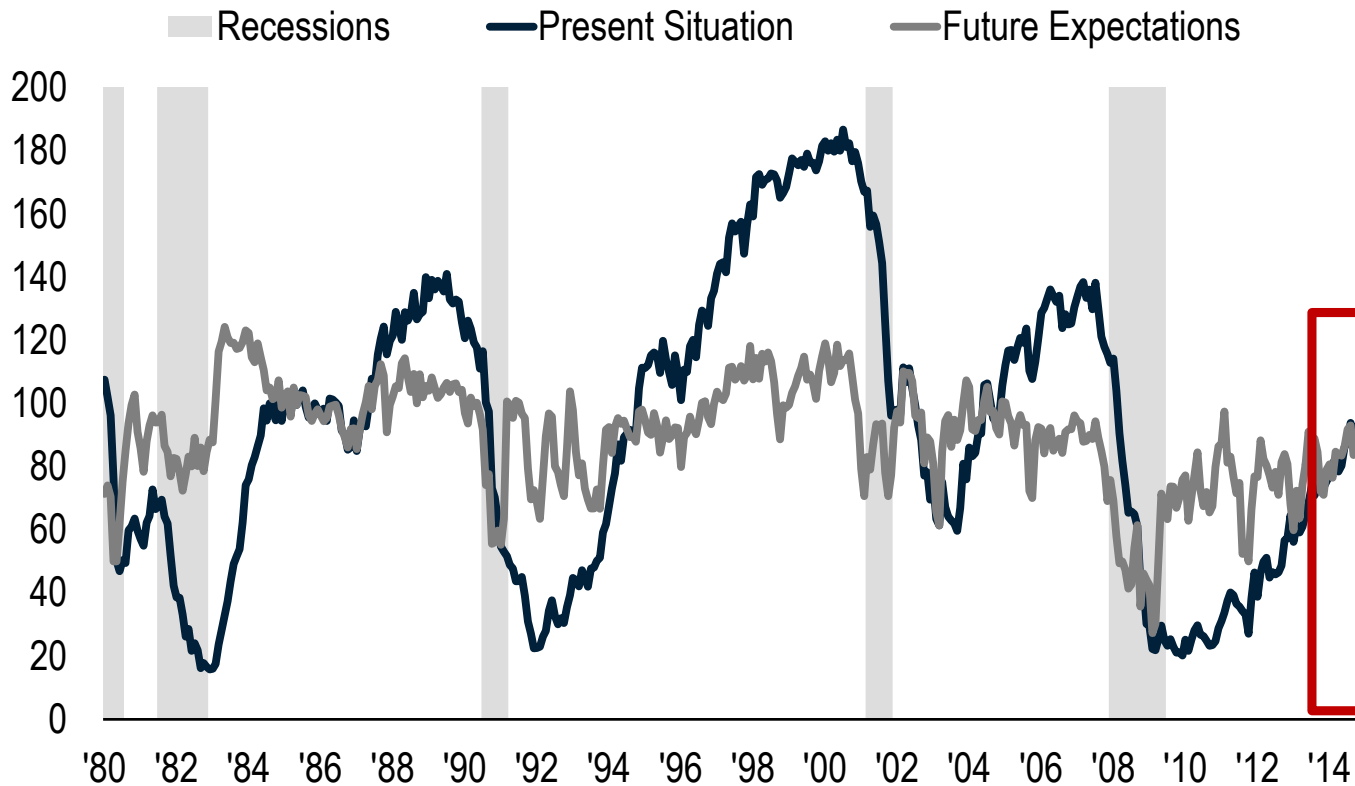


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Consumer Confidence Index



Source: The Conference Board



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POPULATION



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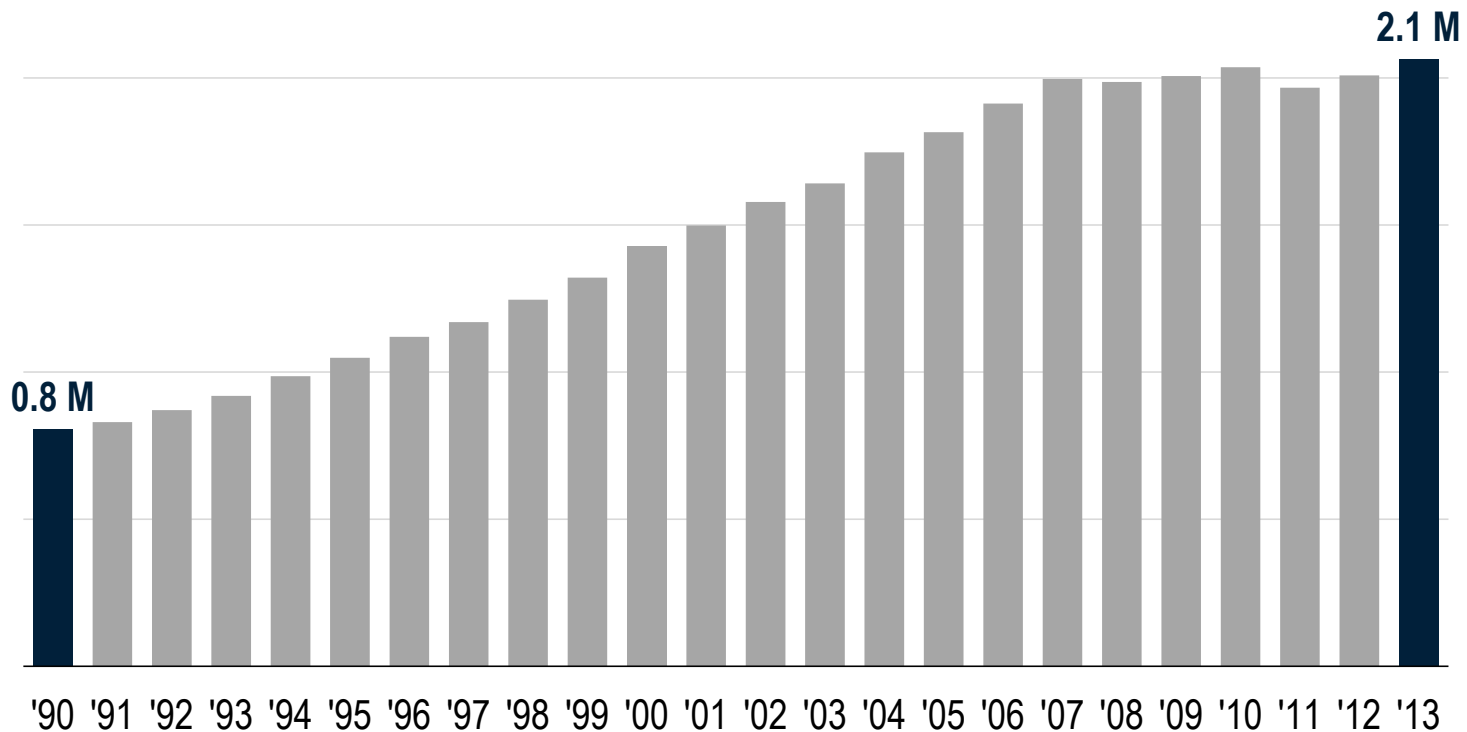
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Clark County Population



Source: Clark County Comprehensive Planning

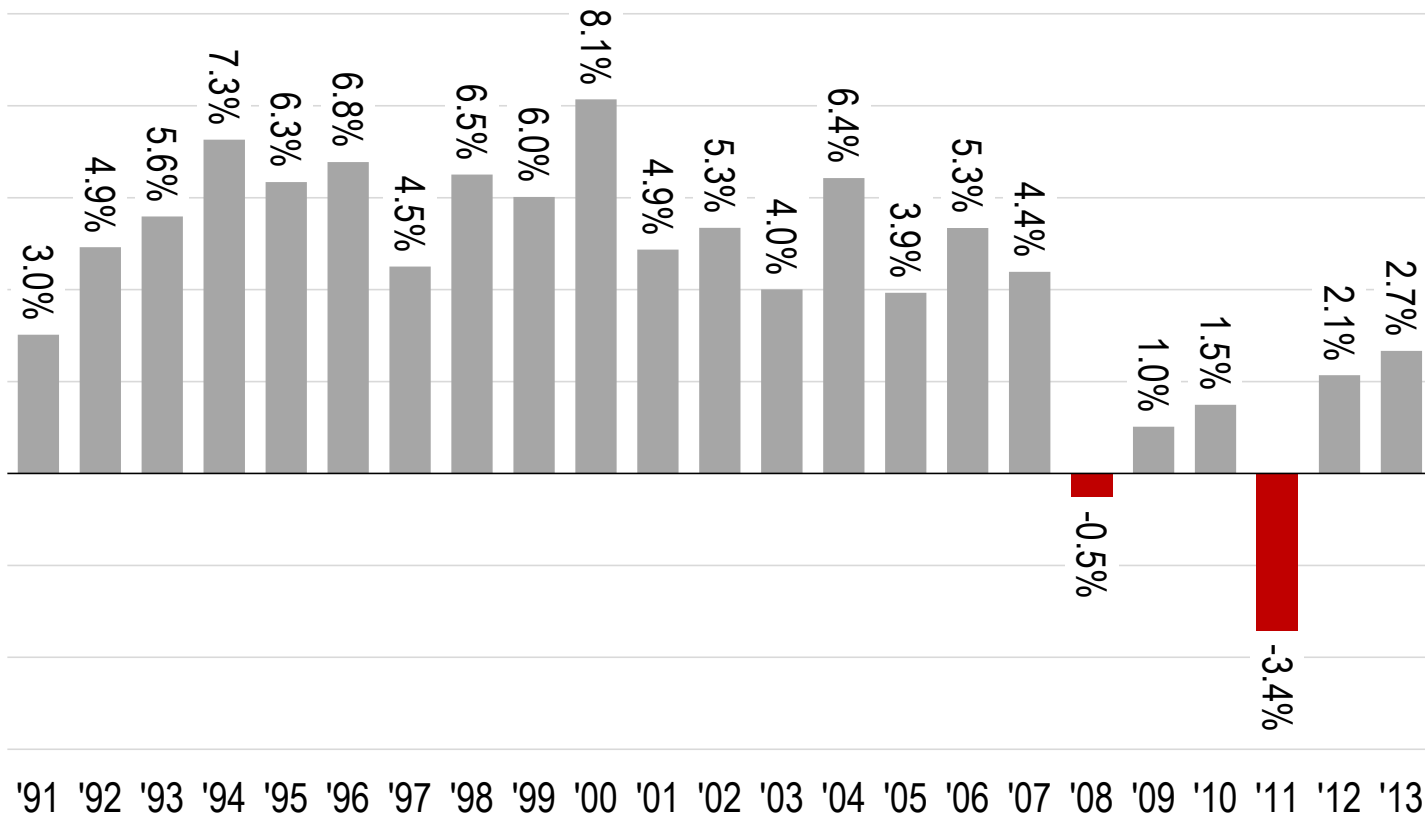


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Clark County Population Y-O-Y Growth



Source: Clark County Comprehensive Planning

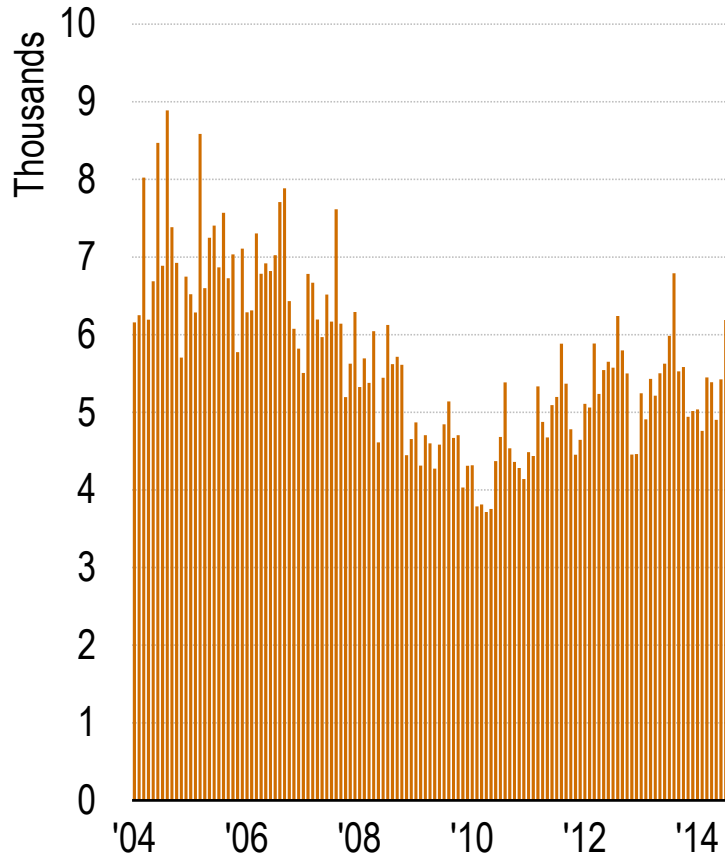


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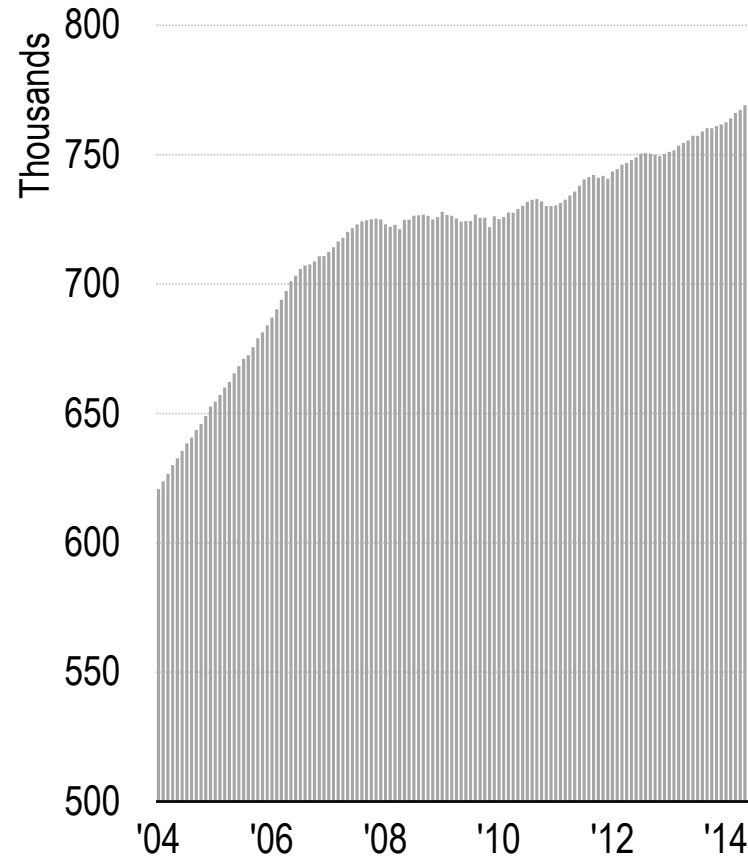
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Drivers License Surrenders



Electric Meter Hookups



Source: UNLV Center for Business and Economic Research



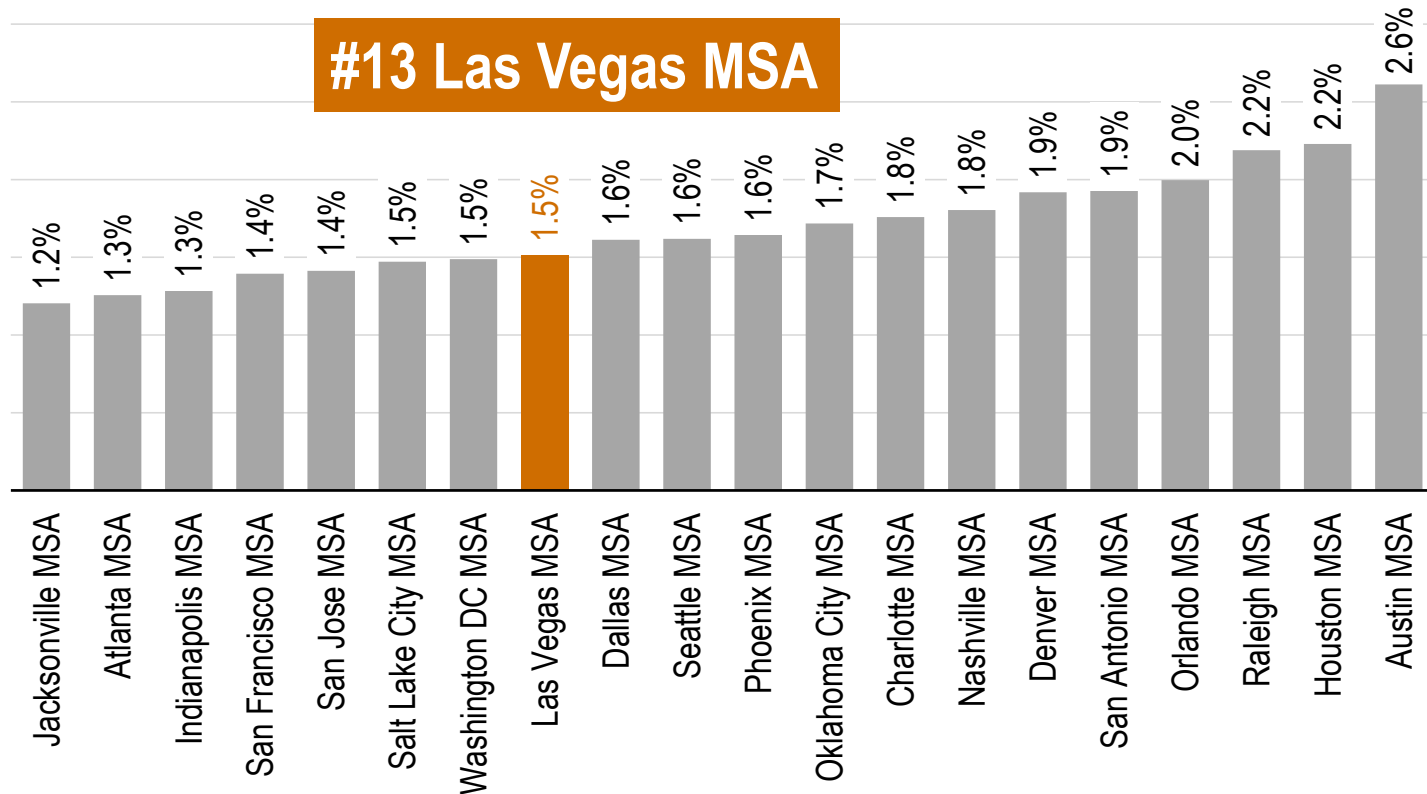
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2012 -2013 Population Growth Rankings

Top 20 MSAs with Population of 1 Million or More



Source: United States Census Bureau



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EMPLOYMENT



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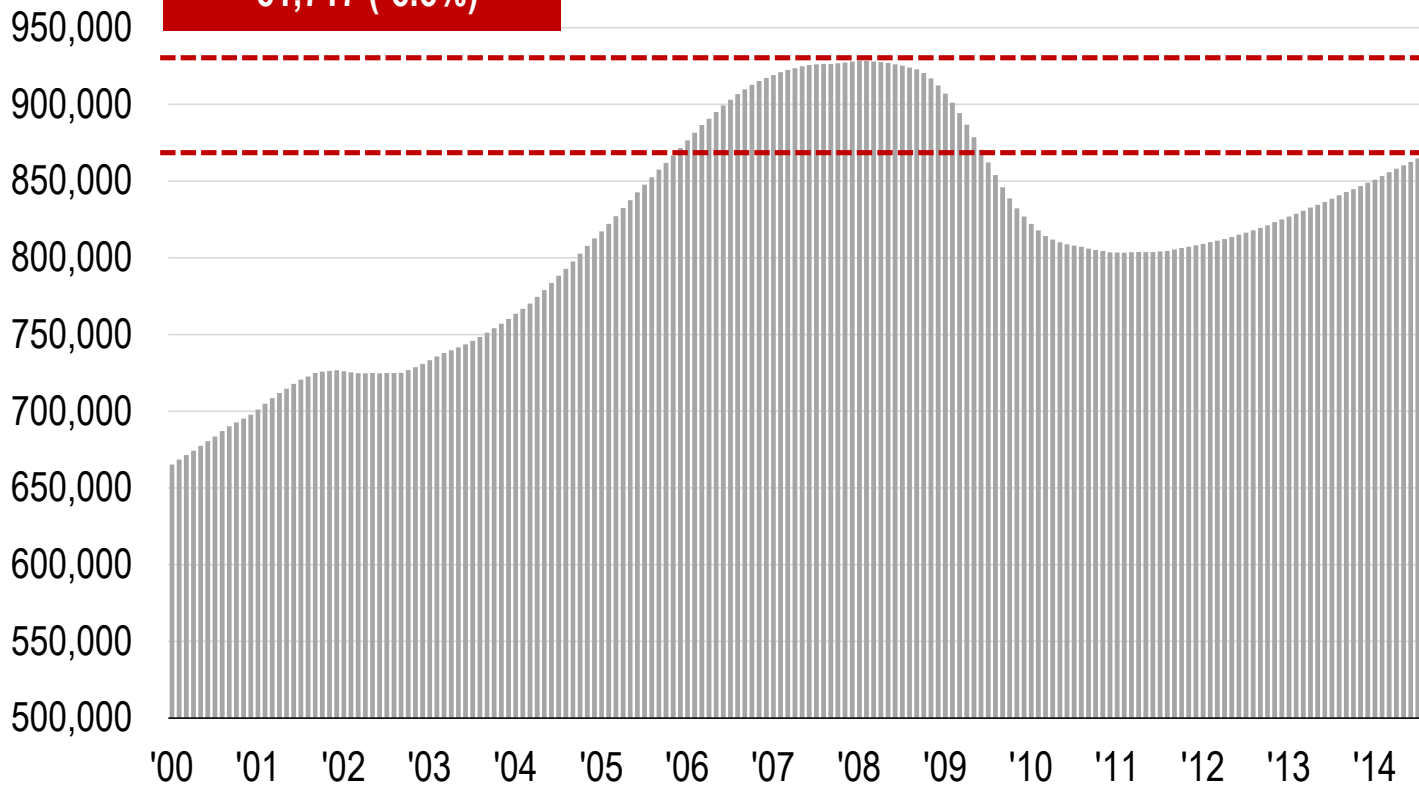
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Las Vegas MSA Employment

Trailing 12-Month Average

Peak to Present:
-61,717 (-6.6%)



Source: United States Bureau of Labor Statistics

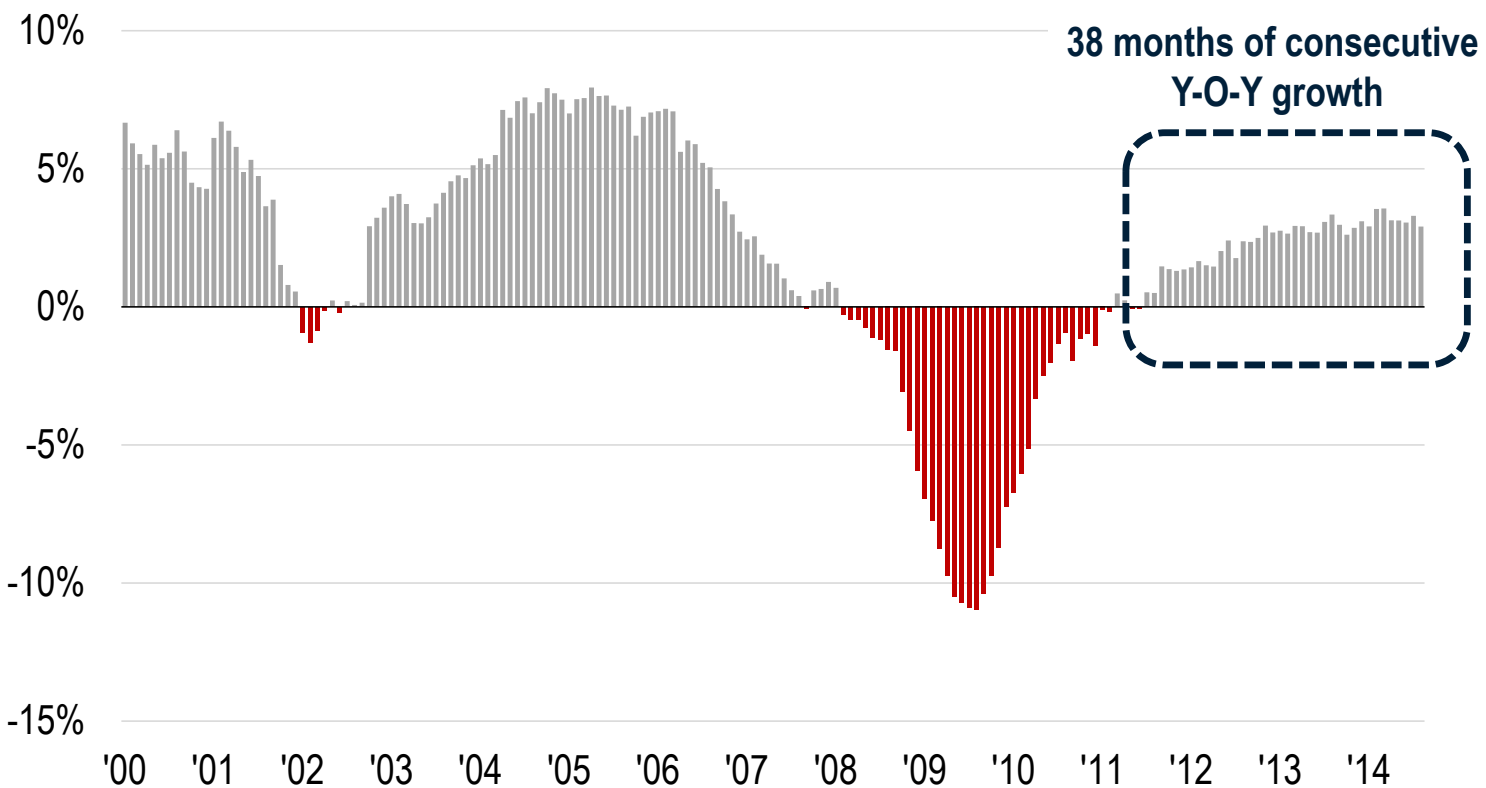


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Las Vegas MSA Employment Y-O-Y Growth



Source: United States Bureau of Labor Statistics

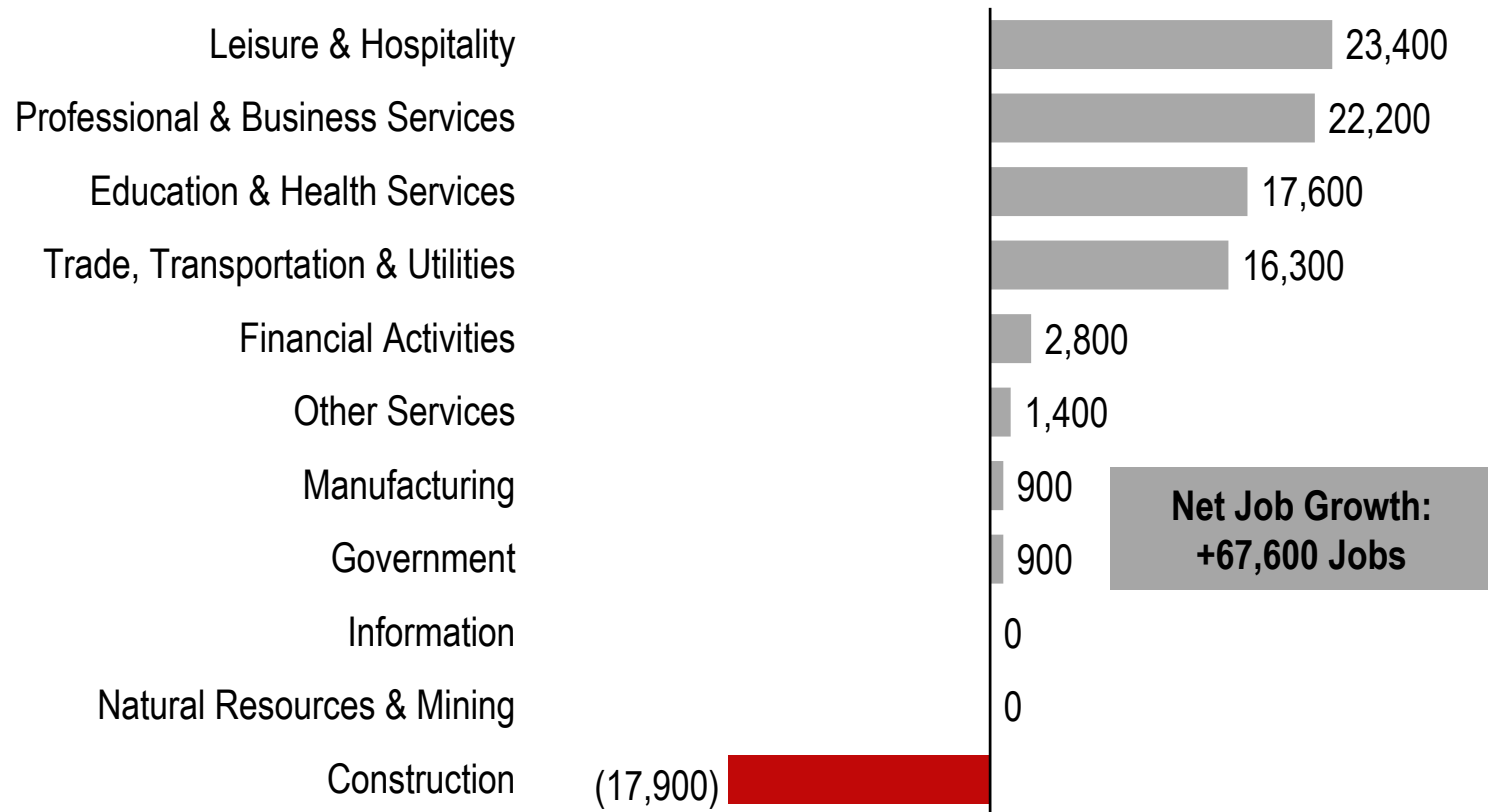


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Las Vegas MSA Employment Growth Past 5 Years



Source: Nevada Department of Employment, Training and Rehabilitation

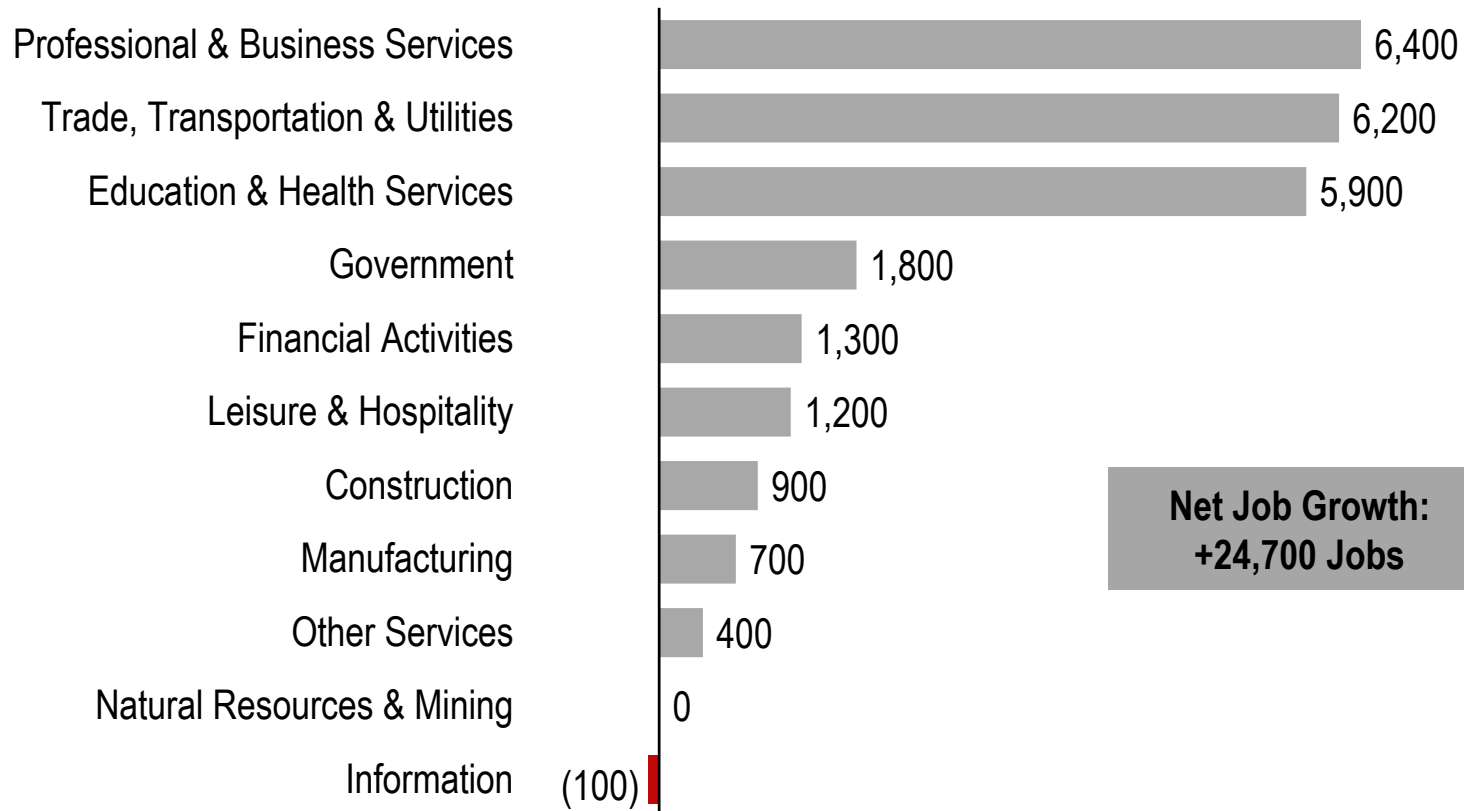


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Las Vegas MSA Employment Growth Past 12 Months



Source: Nevada Department of Employment, Training and Rehabilitation

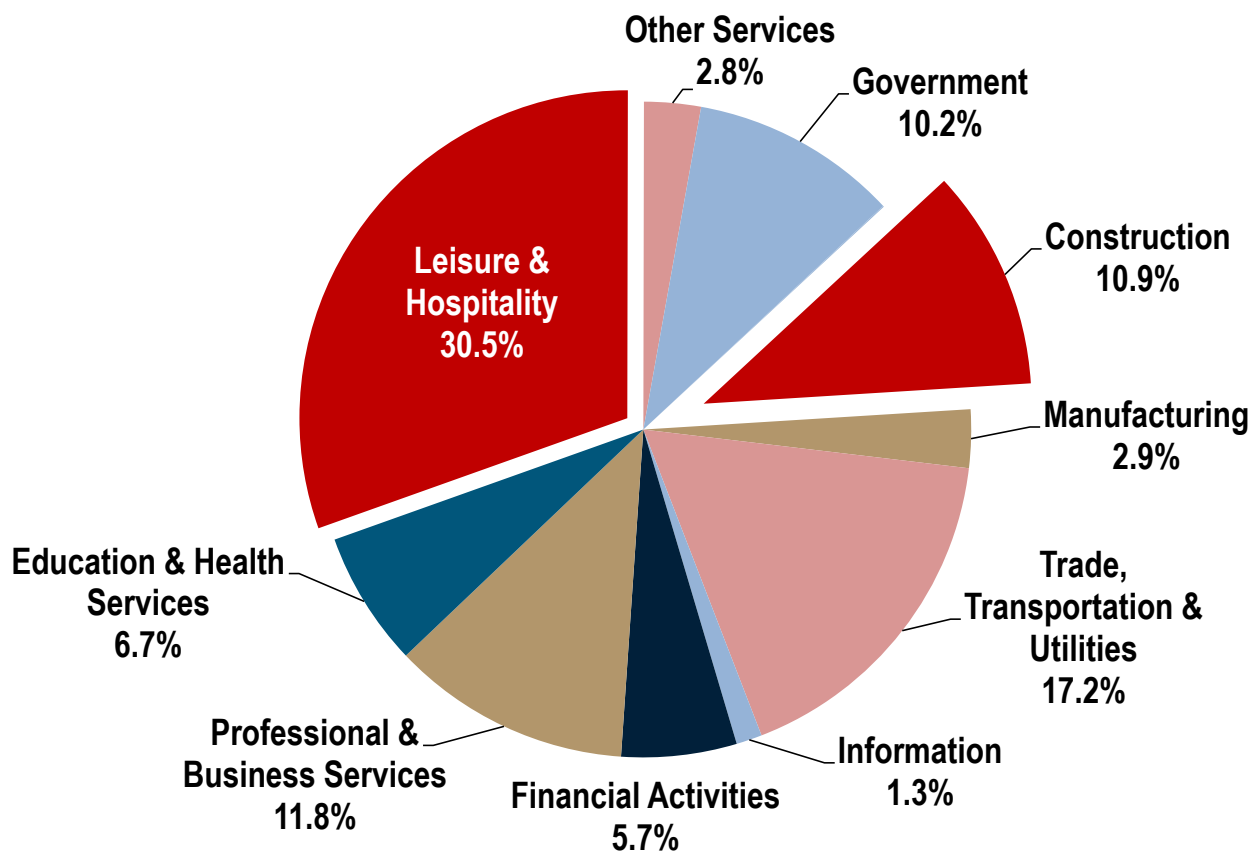


ECONOMIC CONDITIONS:
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Las Vegas MSA Employment Distribution in 2004



Source: Nevada Department of Employment, Training & Rehabilitation

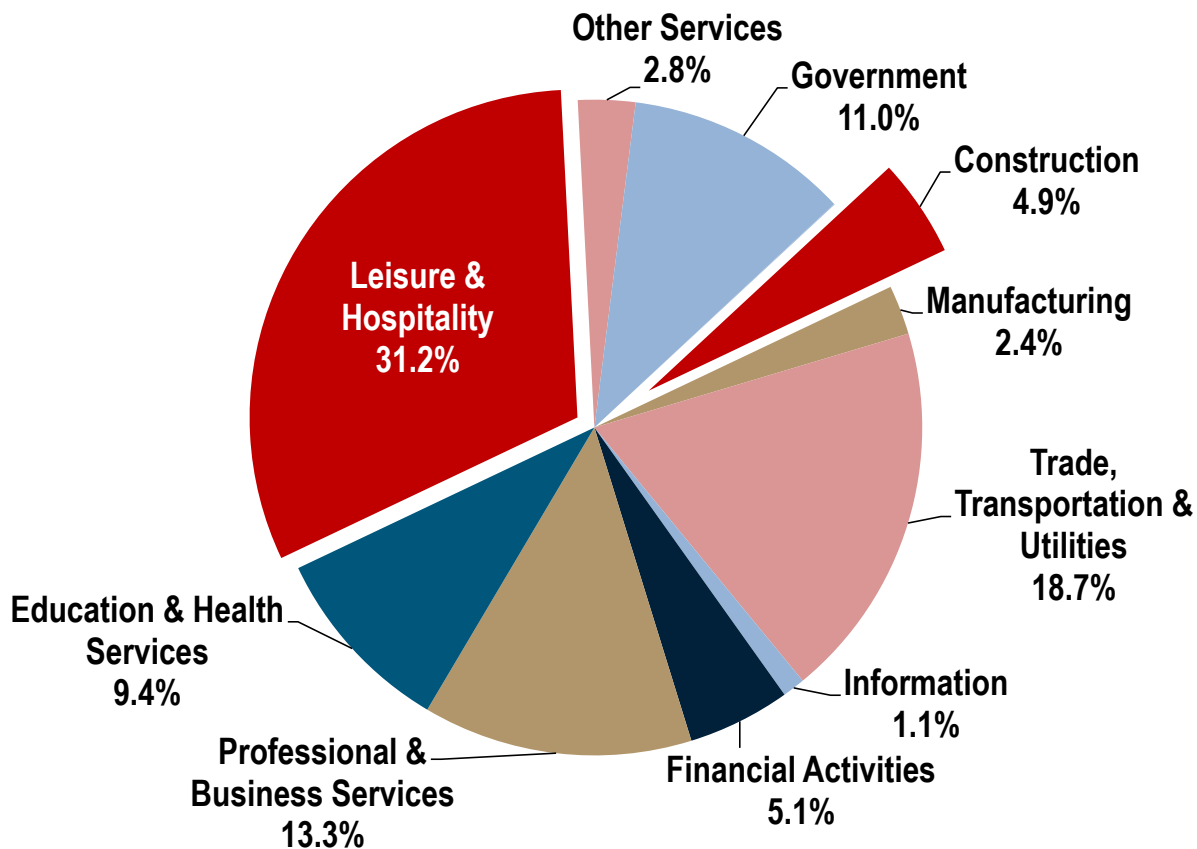


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Las Vegas MSA Employment Distribution in 2014



Source: Nevada Department of Employment, Training & Rehabilitation

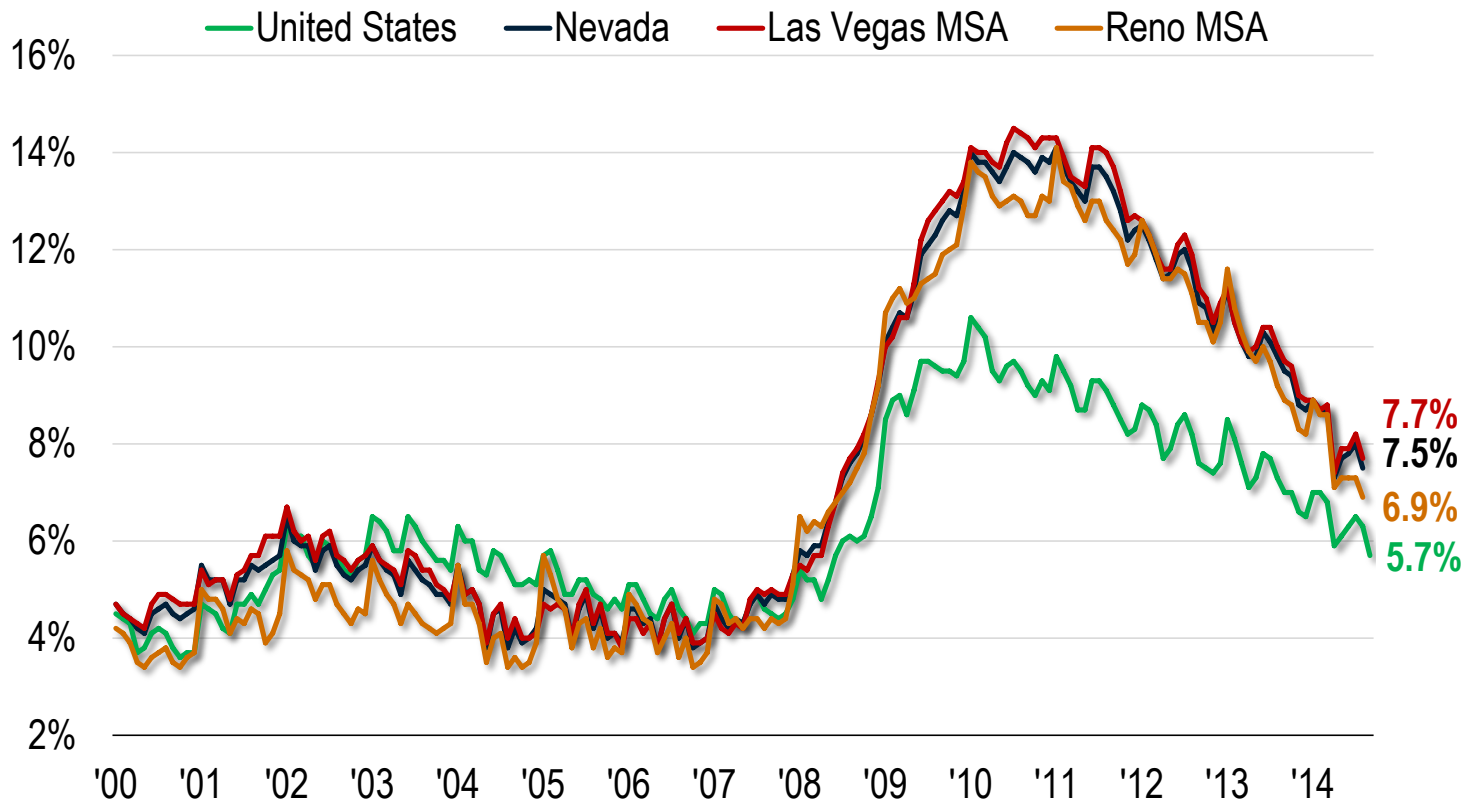


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Unemployment Rates



Source: United States Bureau of Labor Statistics



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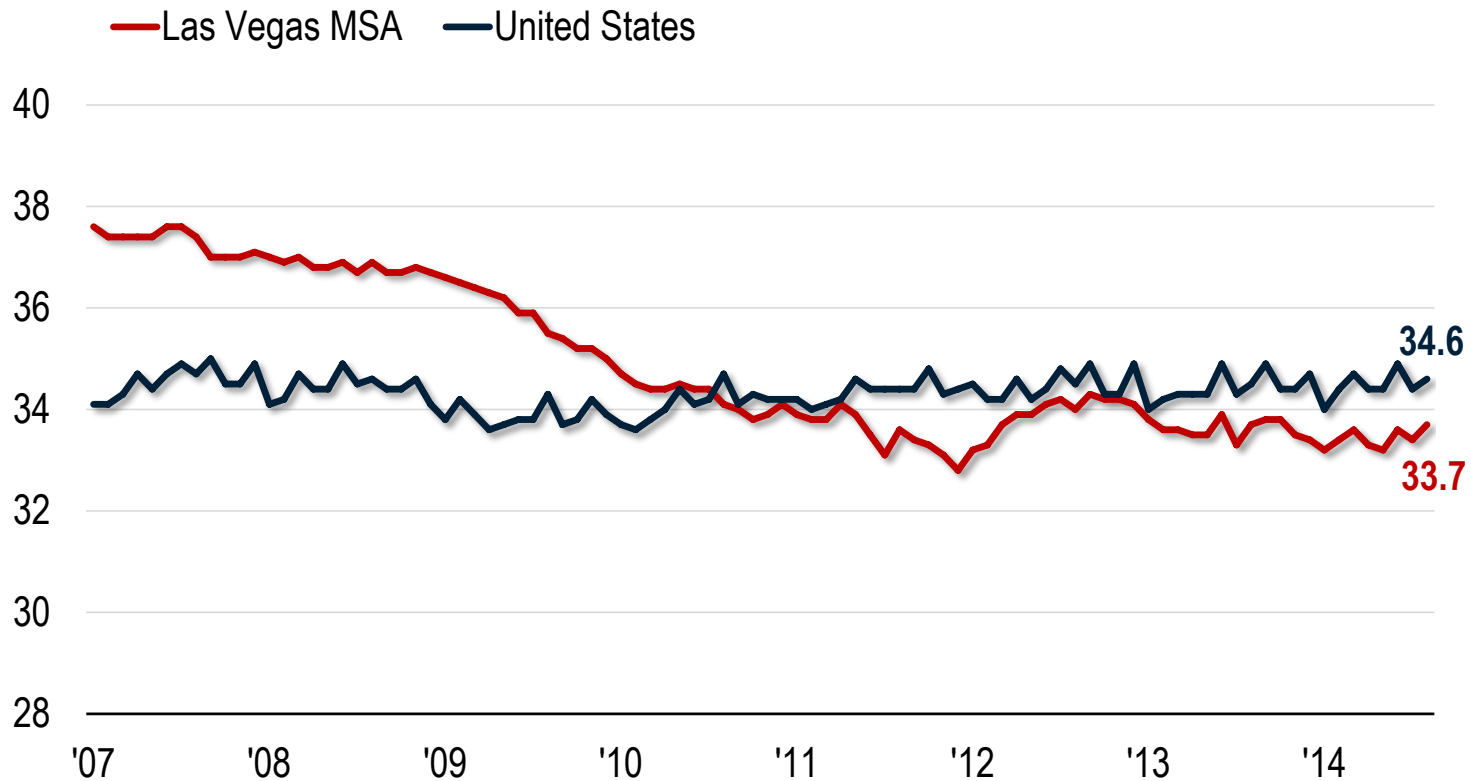


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Average Weekly Hours Per Employee

Las Vegas MSA



Source: United States Bureau of Labor Statistics

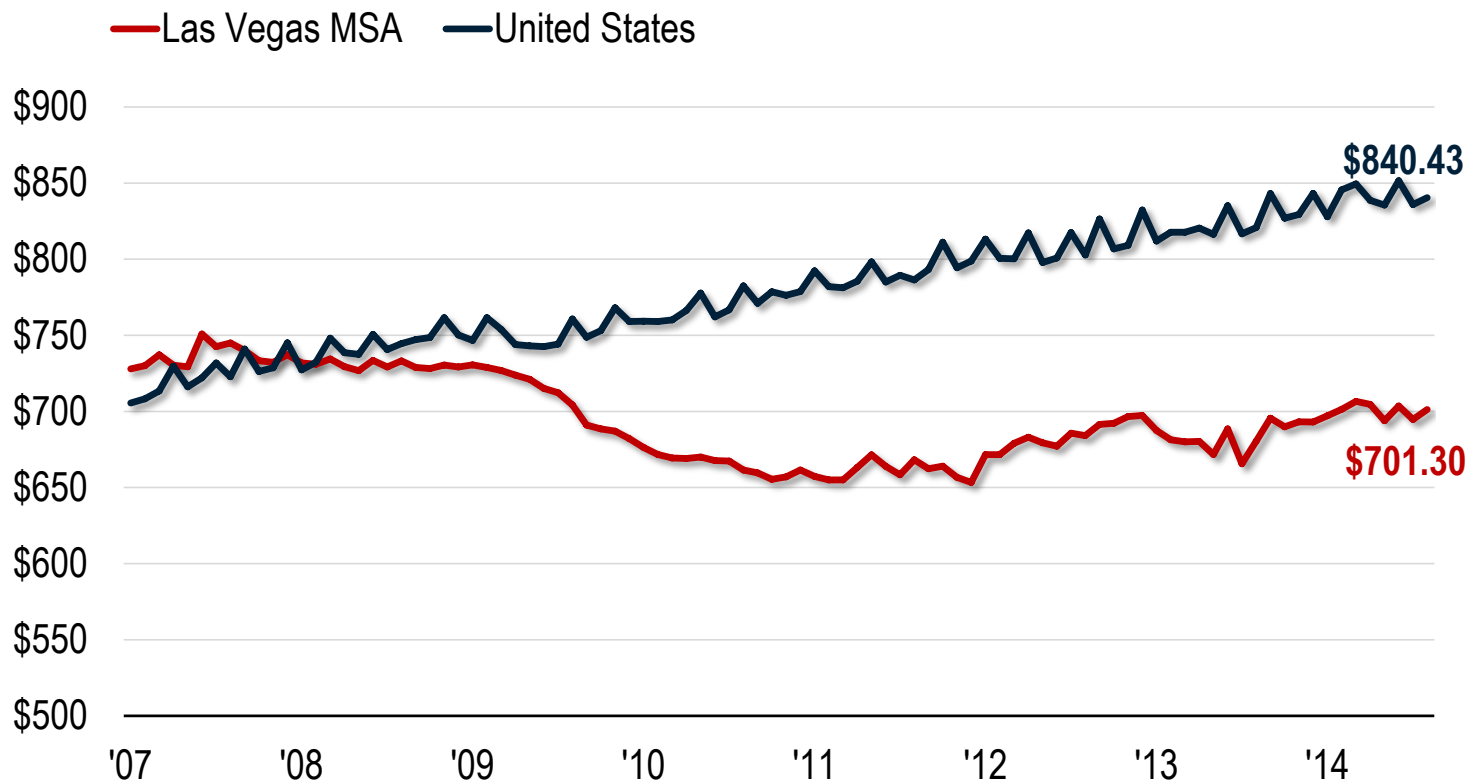


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Average Weekly Wages Per Employee Las Vegas MSA



Source: United States Bureau of Labor Statistics

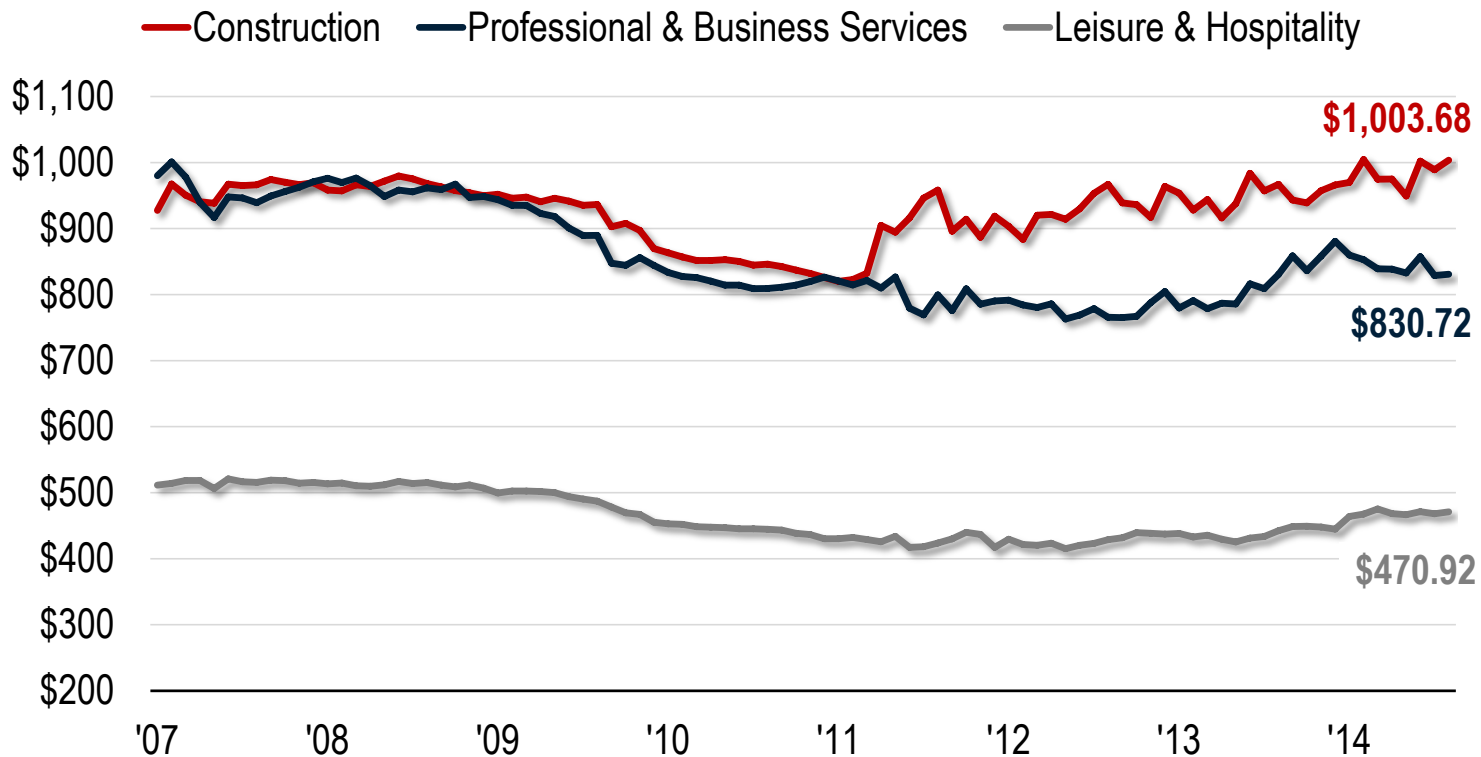


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Average Weekly Wages Per Employee By Industry | Nevada



Note: Average weekly wages by industry are available only for Nevada statewide.

Source: United States Bureau of Labor Statistics



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Las Vegas MSA Employment Facts

Employment Growth
(Last 12 Months)

+3.1%

Avg. Hours Worked
(Last 12 Months)

-0.9%

Total Hours Worked
(Last 12 Months)

+2.1%



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TAXABLE RETAIL SALES



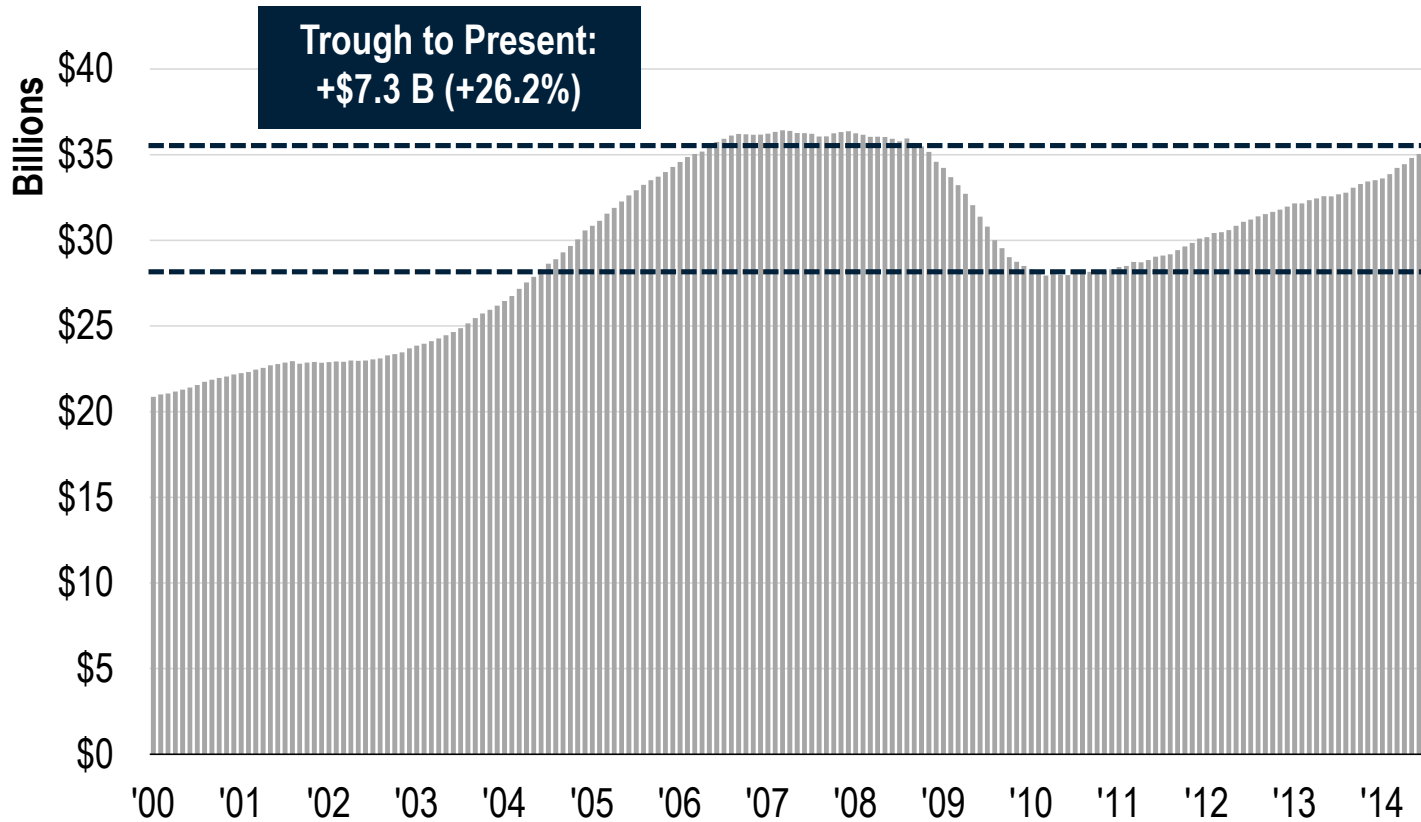
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Clark County Taxable Retail Sales

Trailing 12-Month Total



Source: Nevada Department of Taxation



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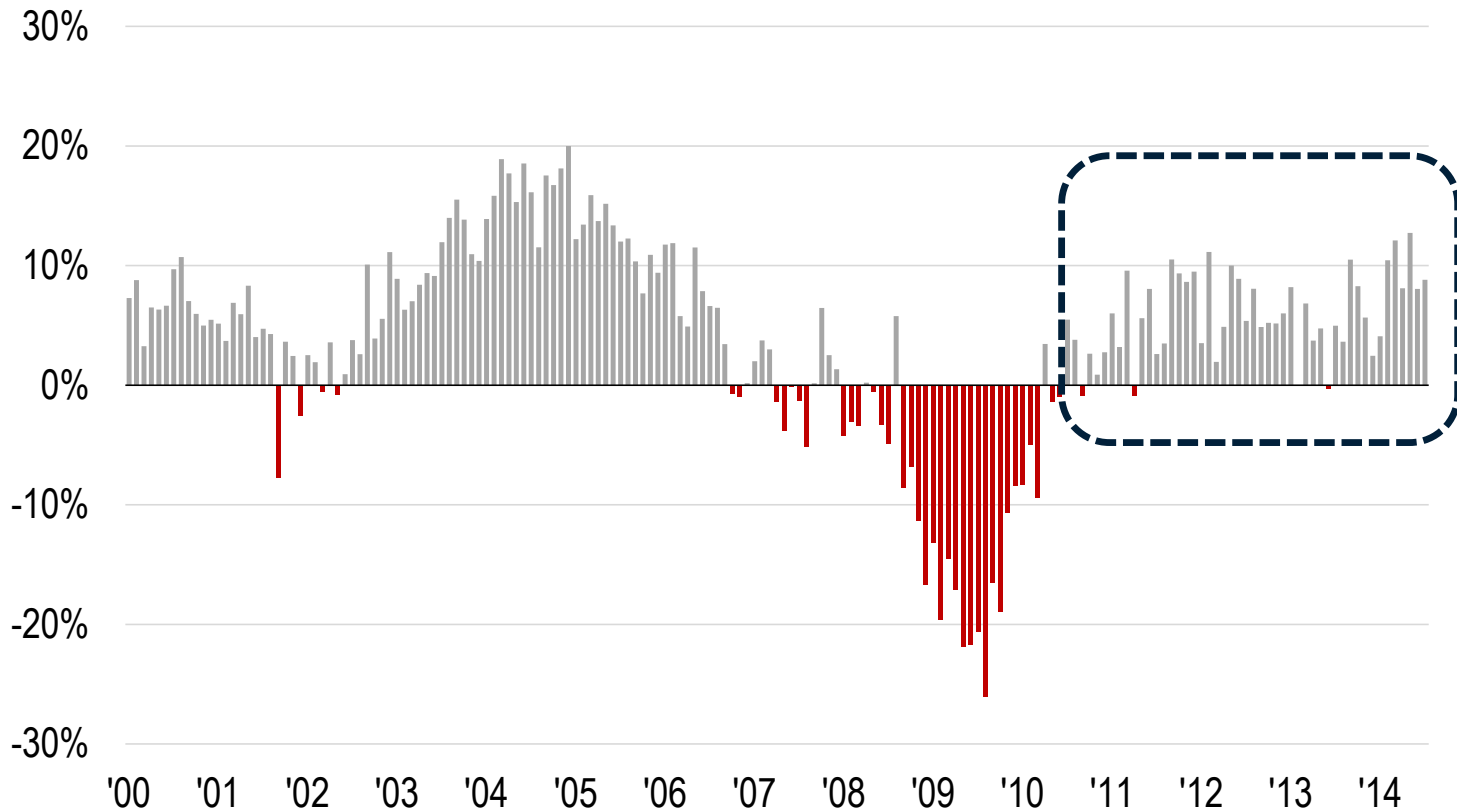


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Clark County Taxable Retail Sales

Y-O-Y Growth



Source: Nevada Department of Taxation



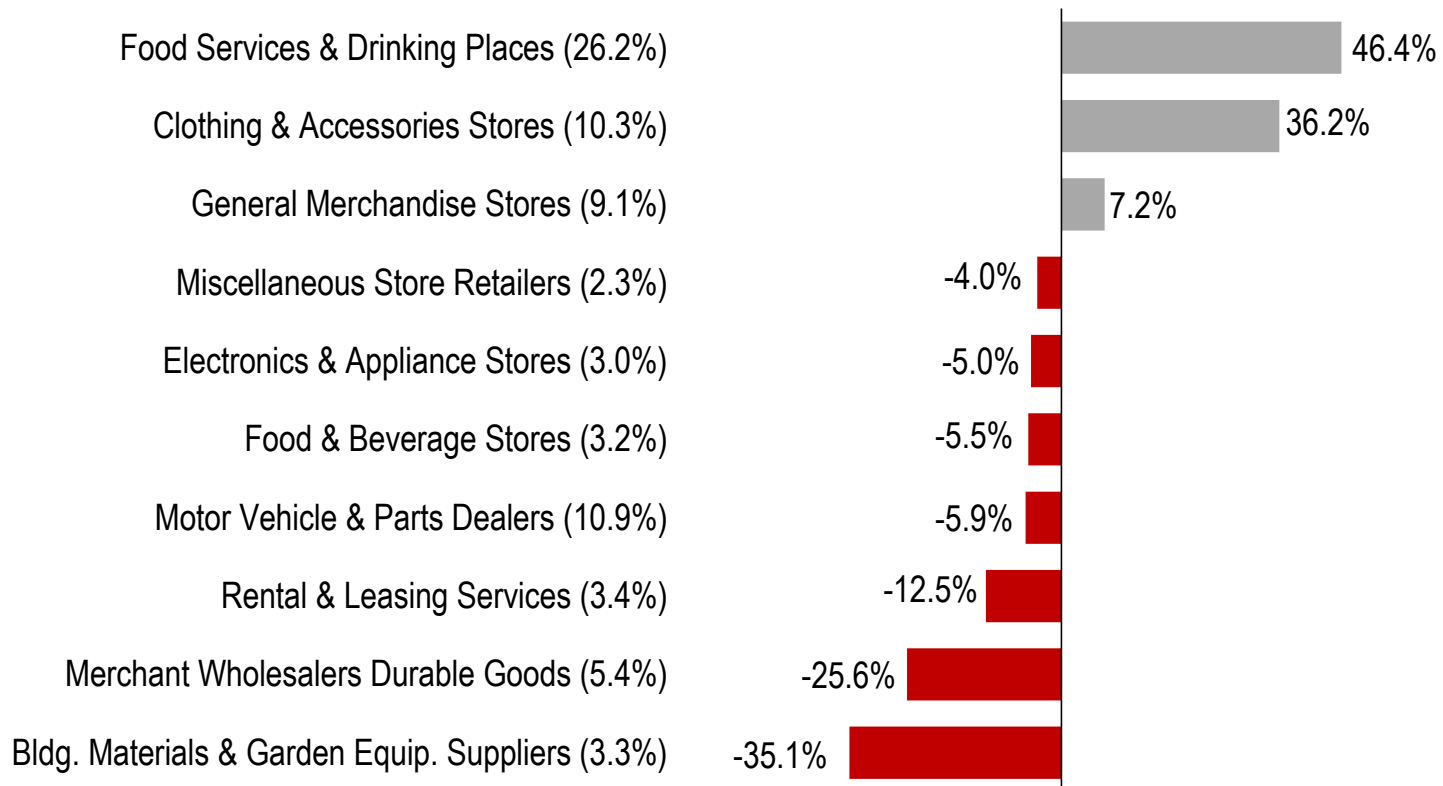
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Clark County Taxable Retail Sales Growth

Ten Largest Sectors; Peak-to-Present



Source: Nevada Department of Taxation



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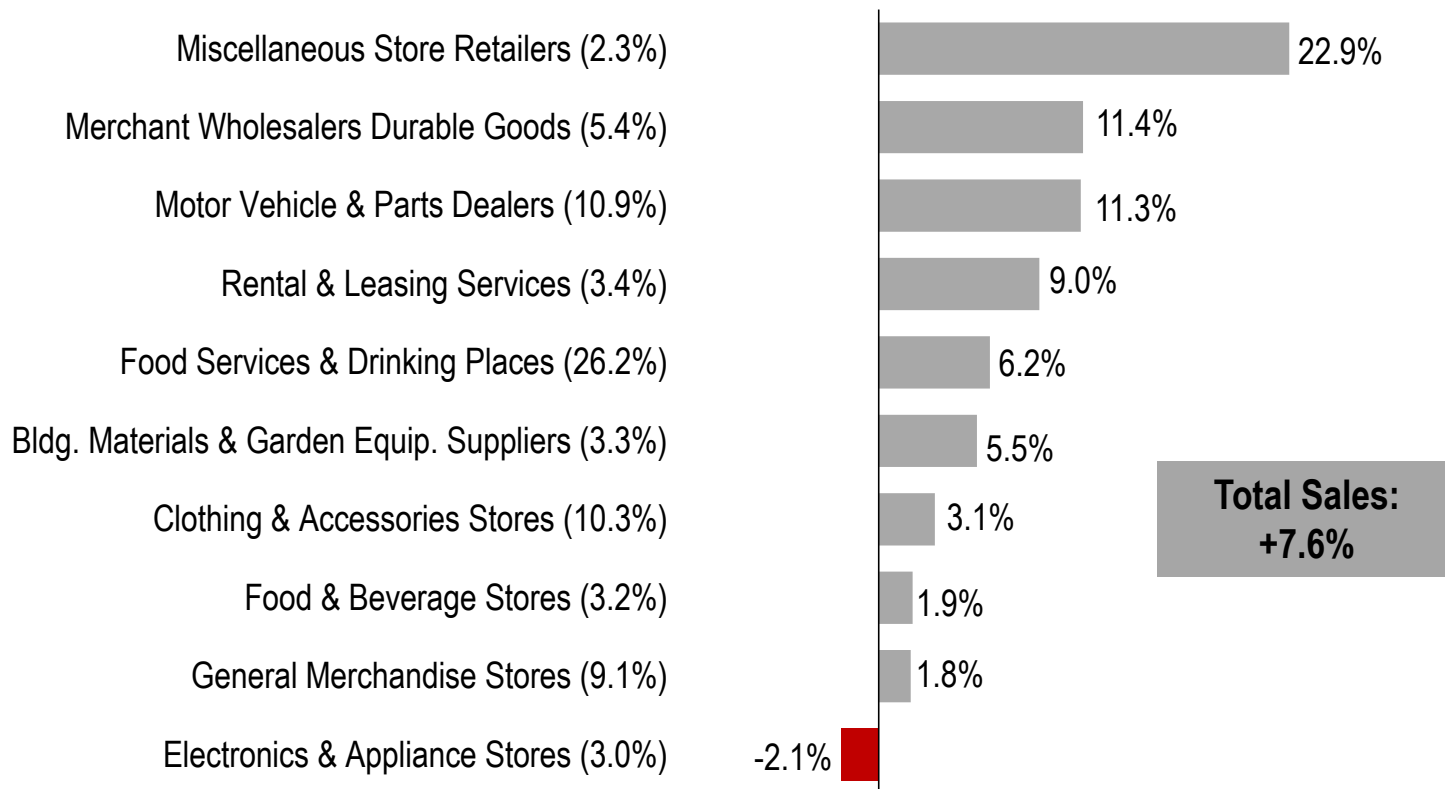
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Clark County Taxable Retail Sales Growth

Ten Largest Sectors; Last 12 Months



Source: Nevada Department of Taxation



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HOUSING



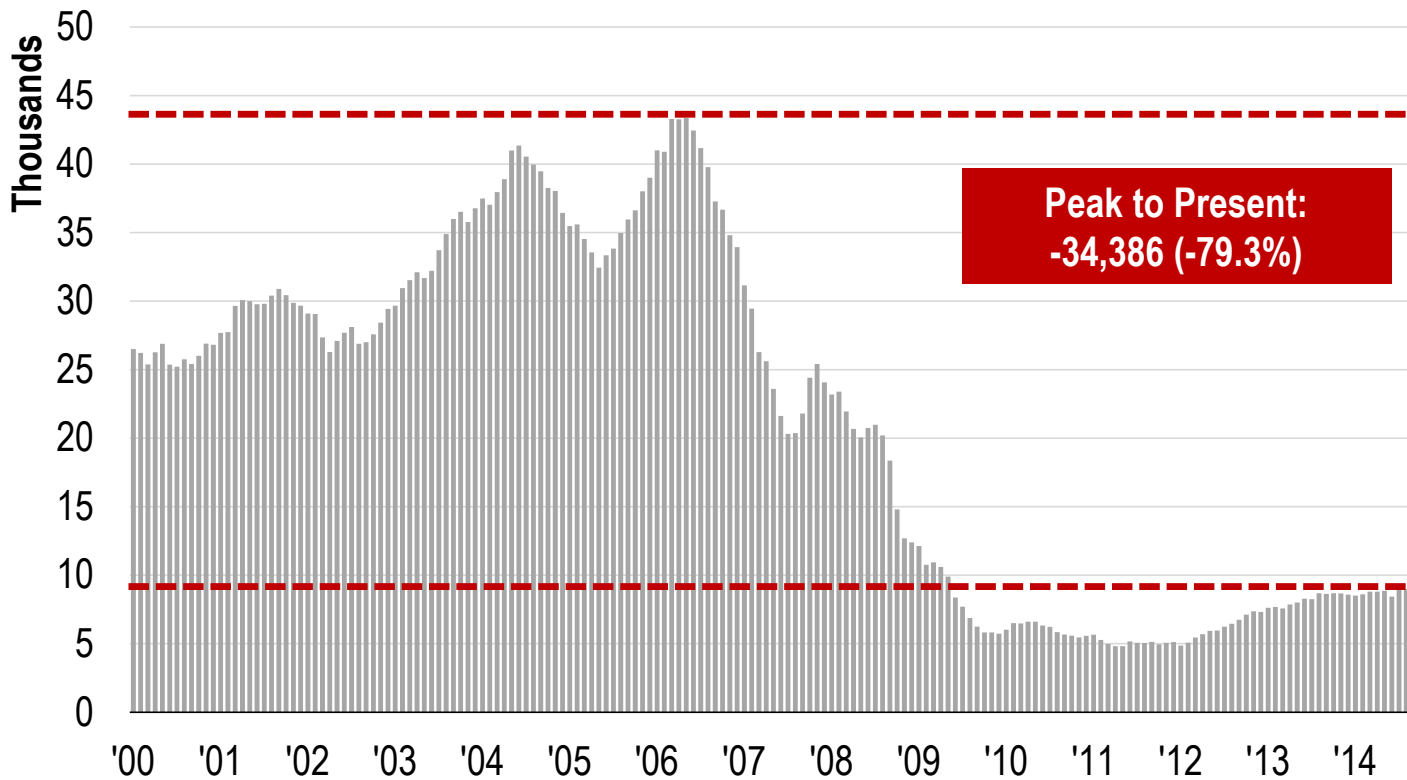
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Clark County Residential Units Permitted

Trailing 12-Month Total



Peak to Present:
-34,386 (-79.3%)

Source: UNLV Center for Business & Economic Research

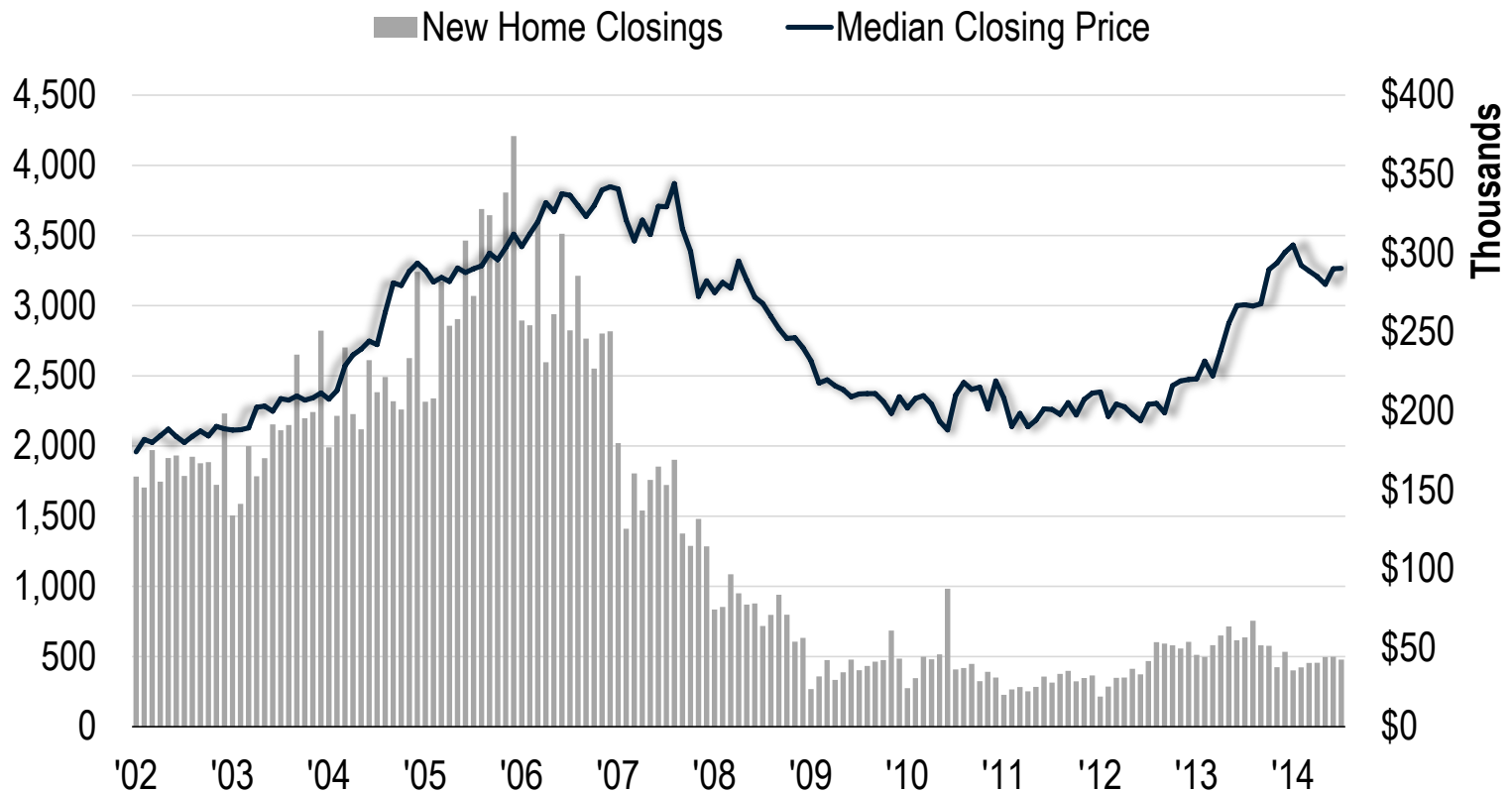


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New Home Closings



Source: SalesTraq



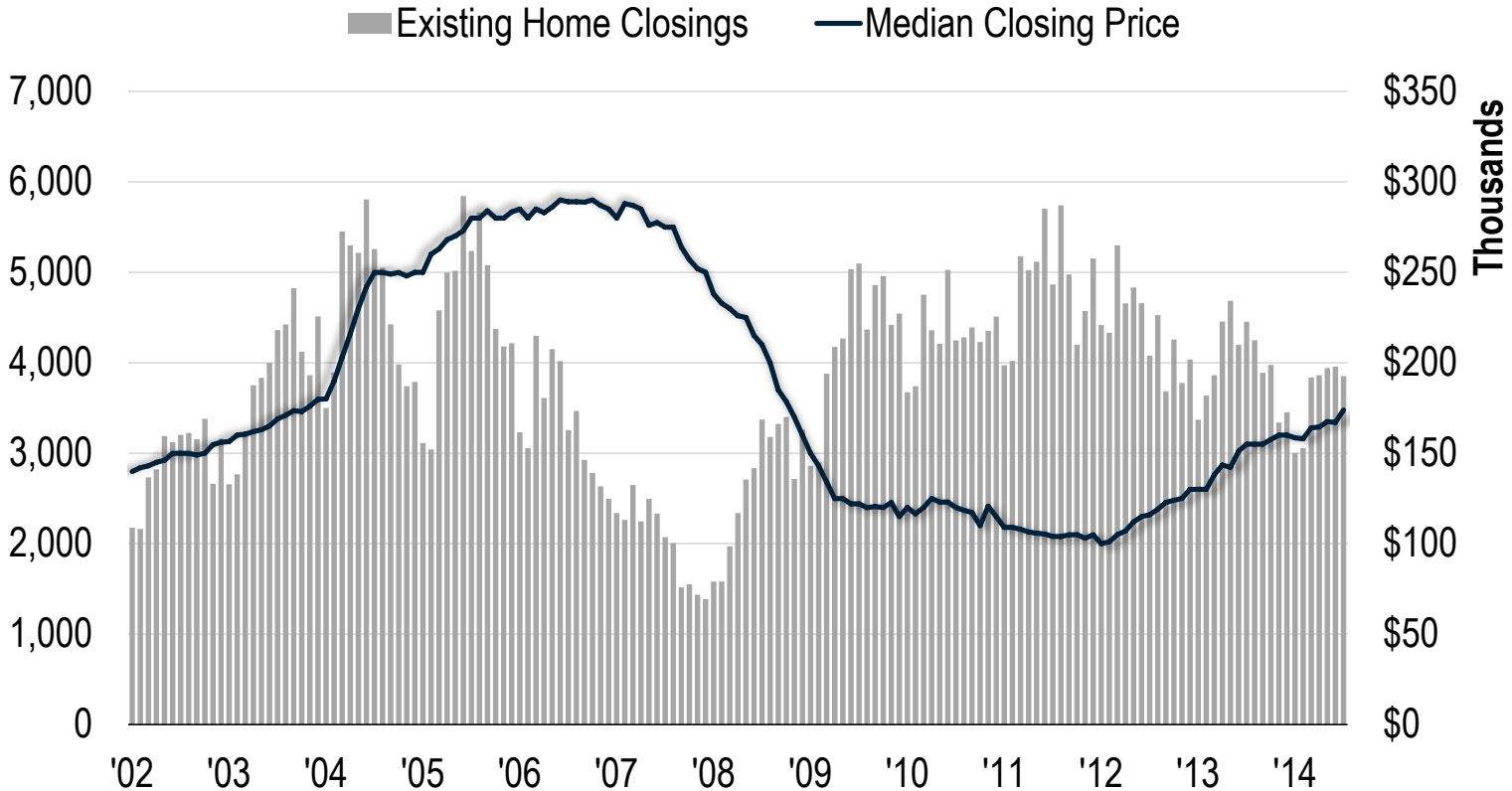
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Existing Home Closings



Source: SalesTraq



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Existing Home Closings

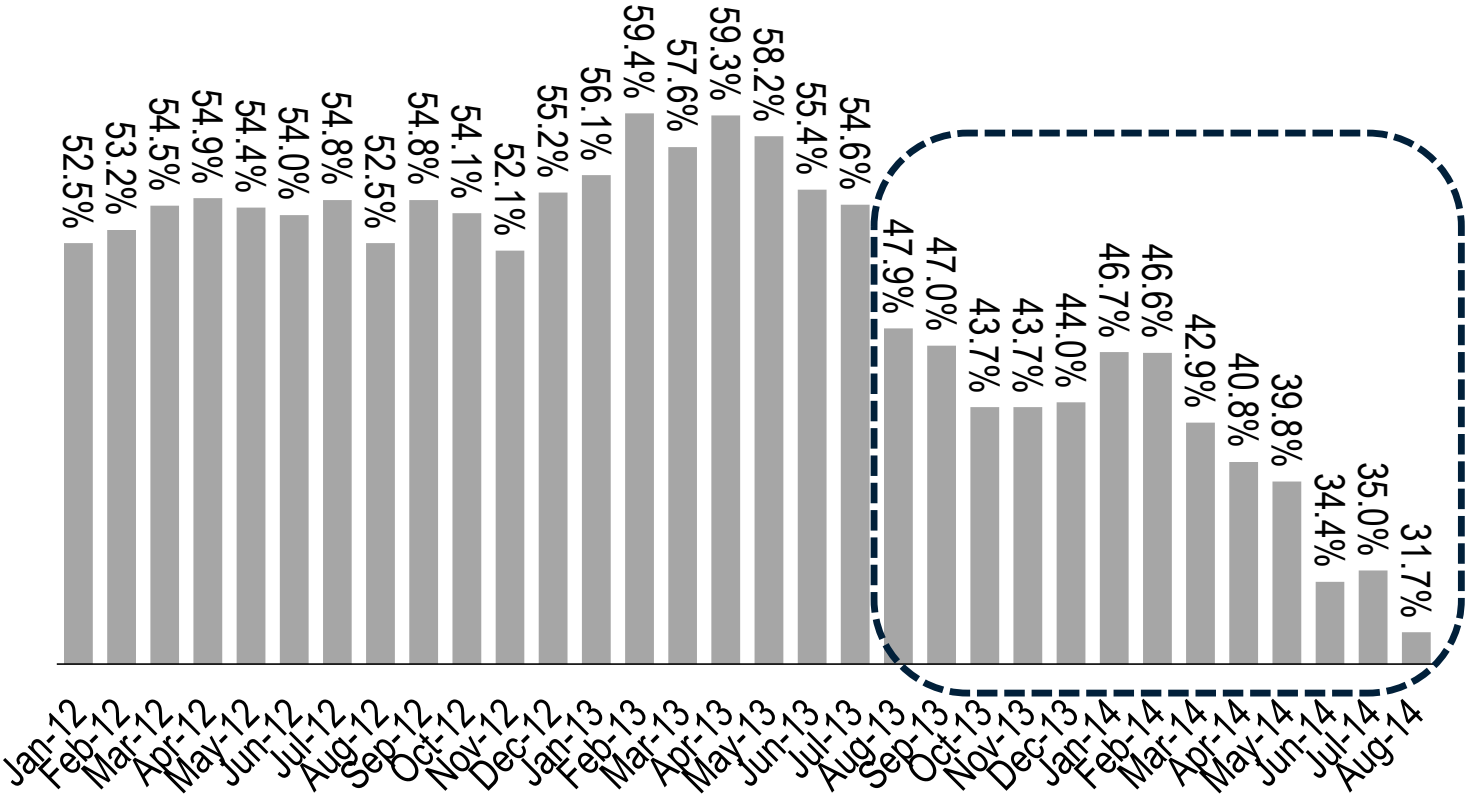


32%



55%

Cash Closings (Existing Homes)



Source: SalesTraq



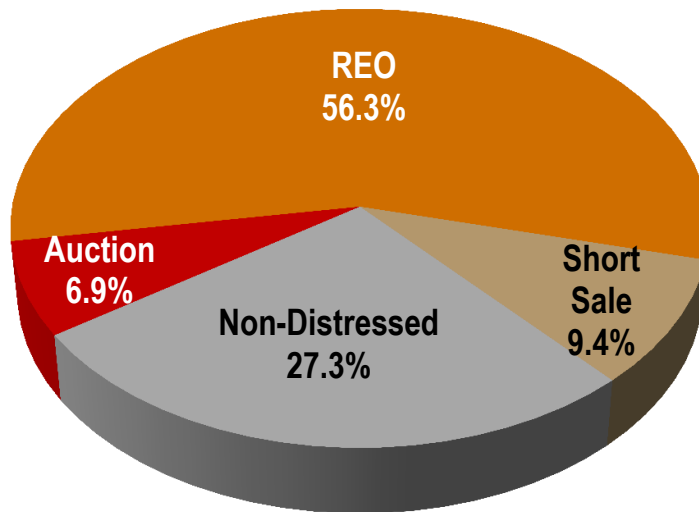
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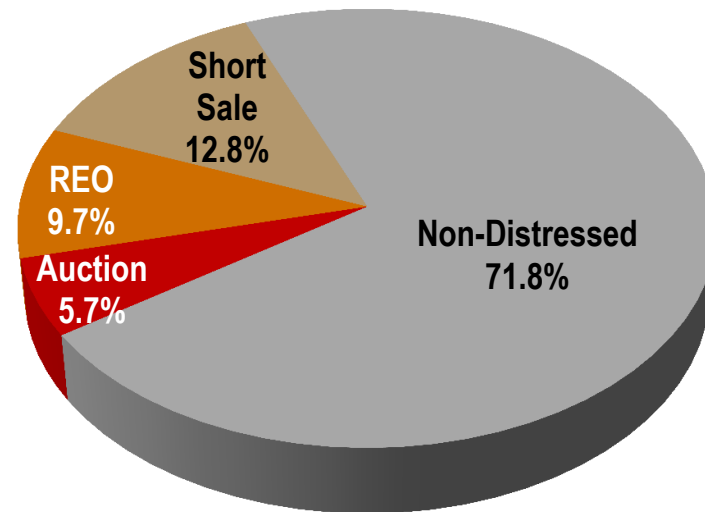


Mix of Properties Sold Transitions

2009 Sales Mix



Current Year Sales Mix



Source: SalesTraq



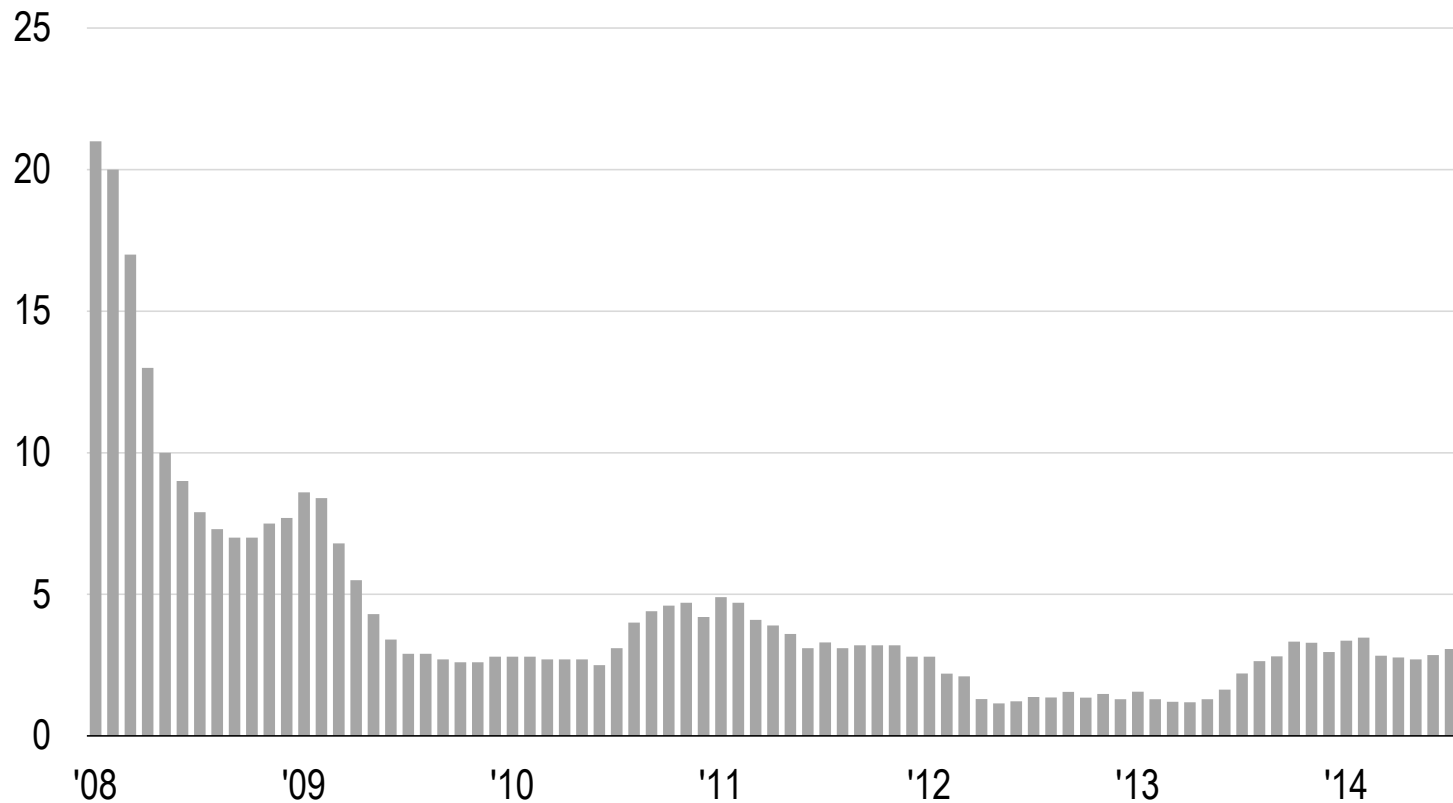
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Months of Effective Inventory



Source: SalesTraq

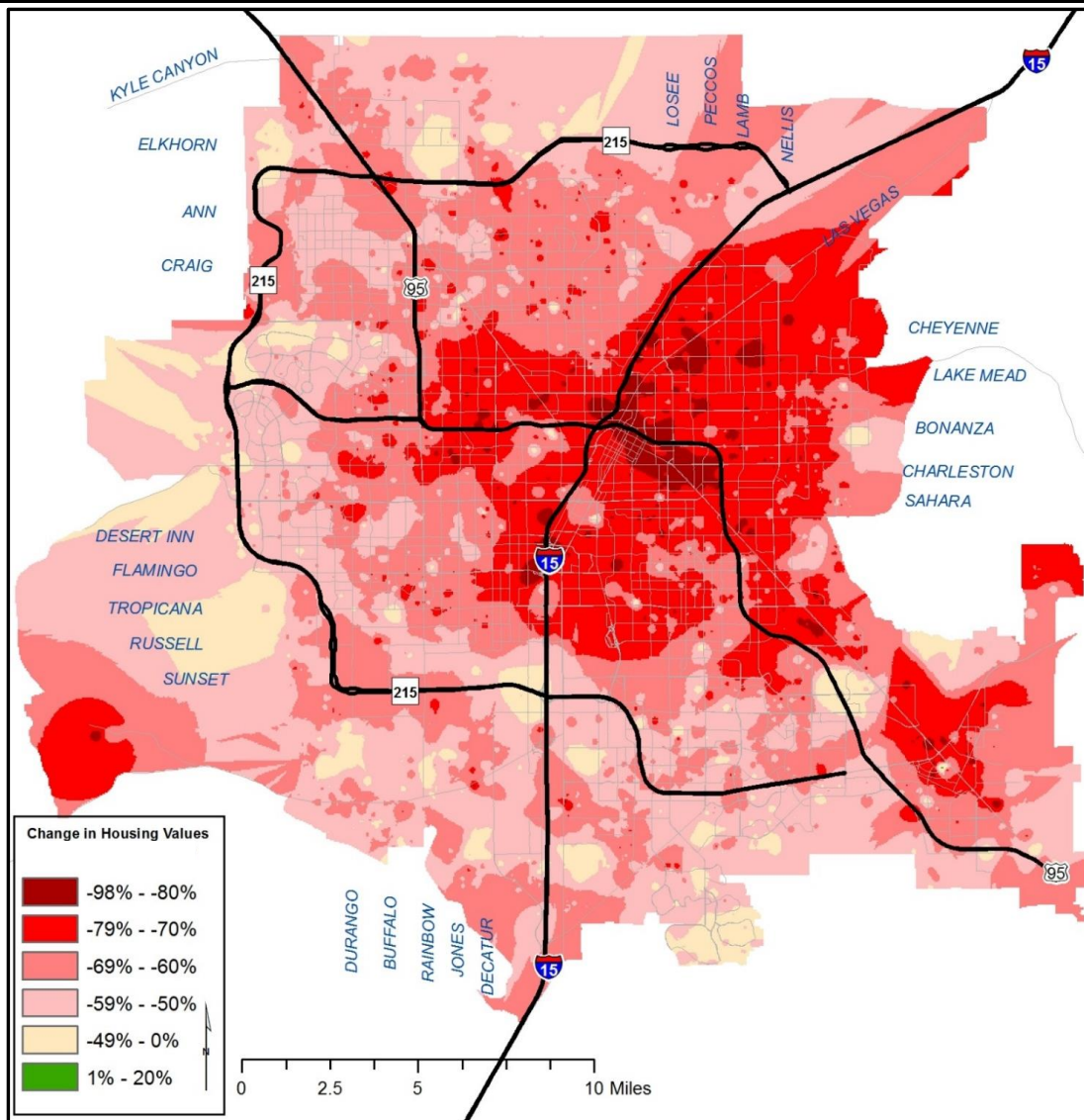


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Price Depreciation Peak (Mid-2006) to Present (2013)



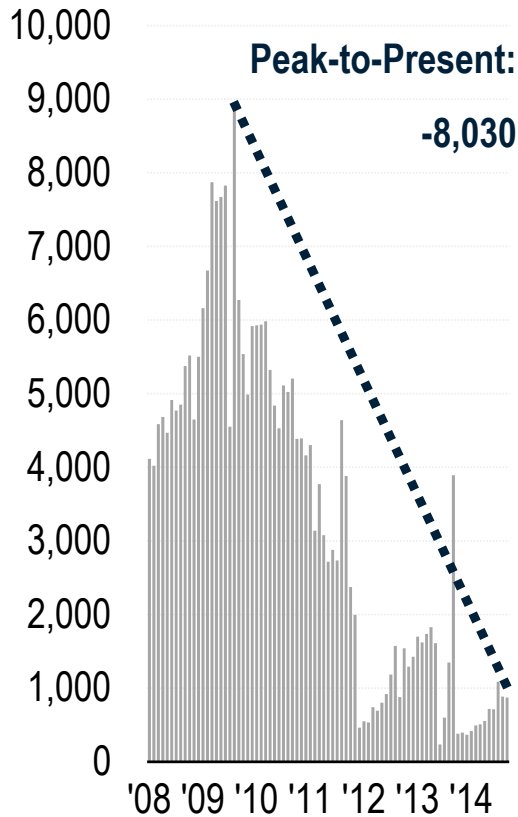
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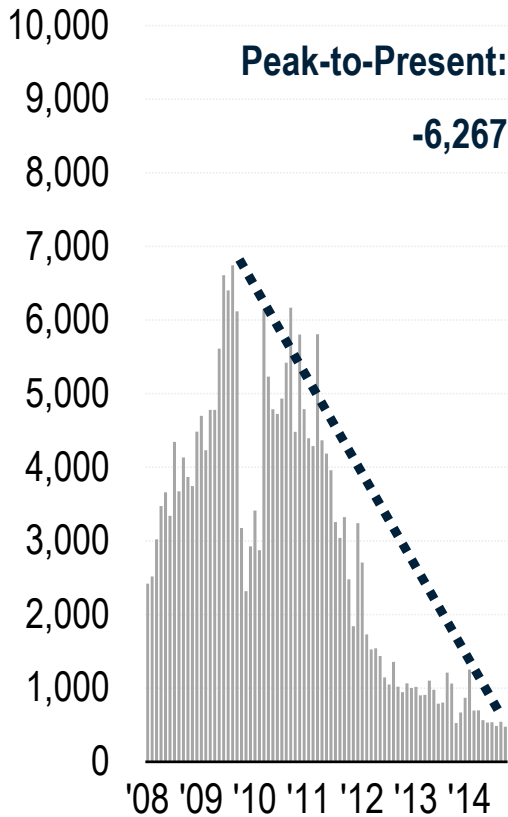
Notices of Breach and Default

Clark County, NV



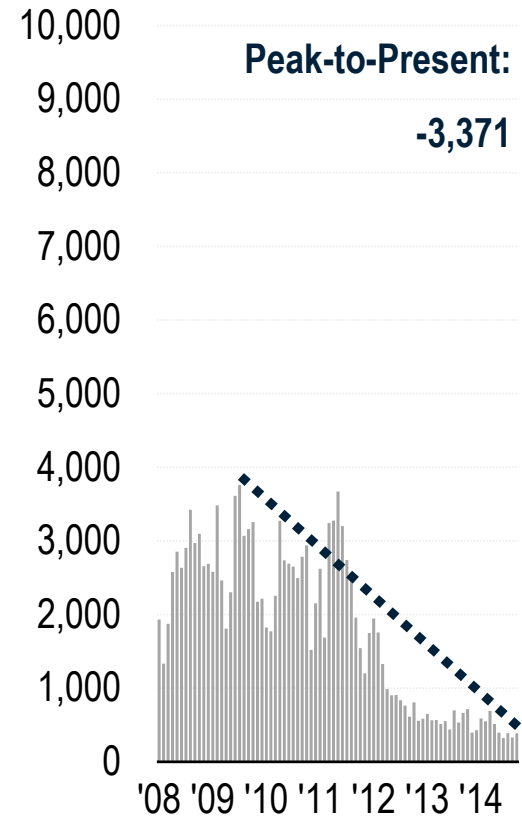
Notices of Trustee Sale

Clark County, NV



Trustee Deeds (Foreclosures)

Clark County, NV



Source: Clark County Assessor's Office

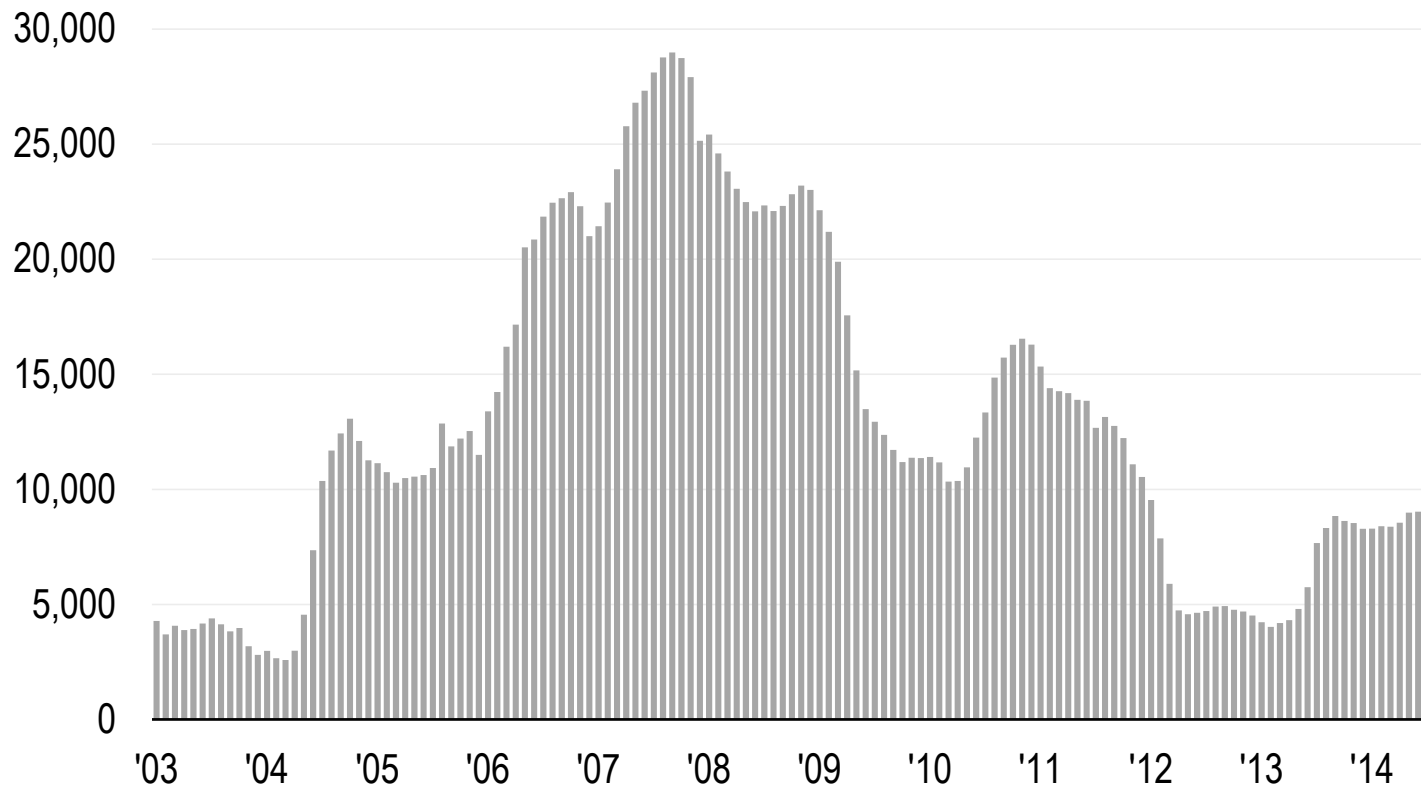


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Southern Nevada MLS Resale Listings



Source: SalesTraq

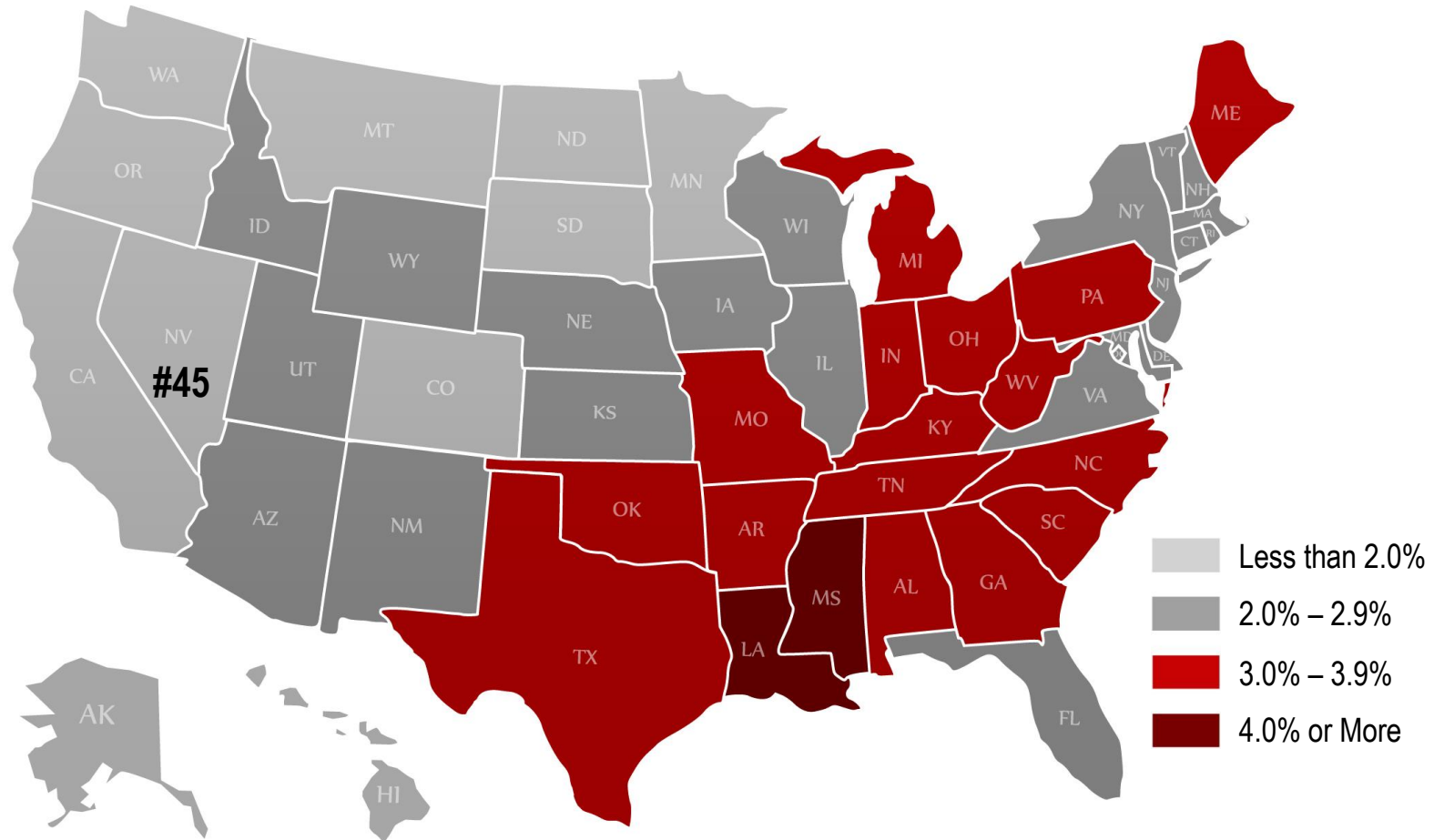


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Loans 30 Days Past Due



#45

Source: Mortgage Bankers Association, National Delinquency Survey Q2 2014

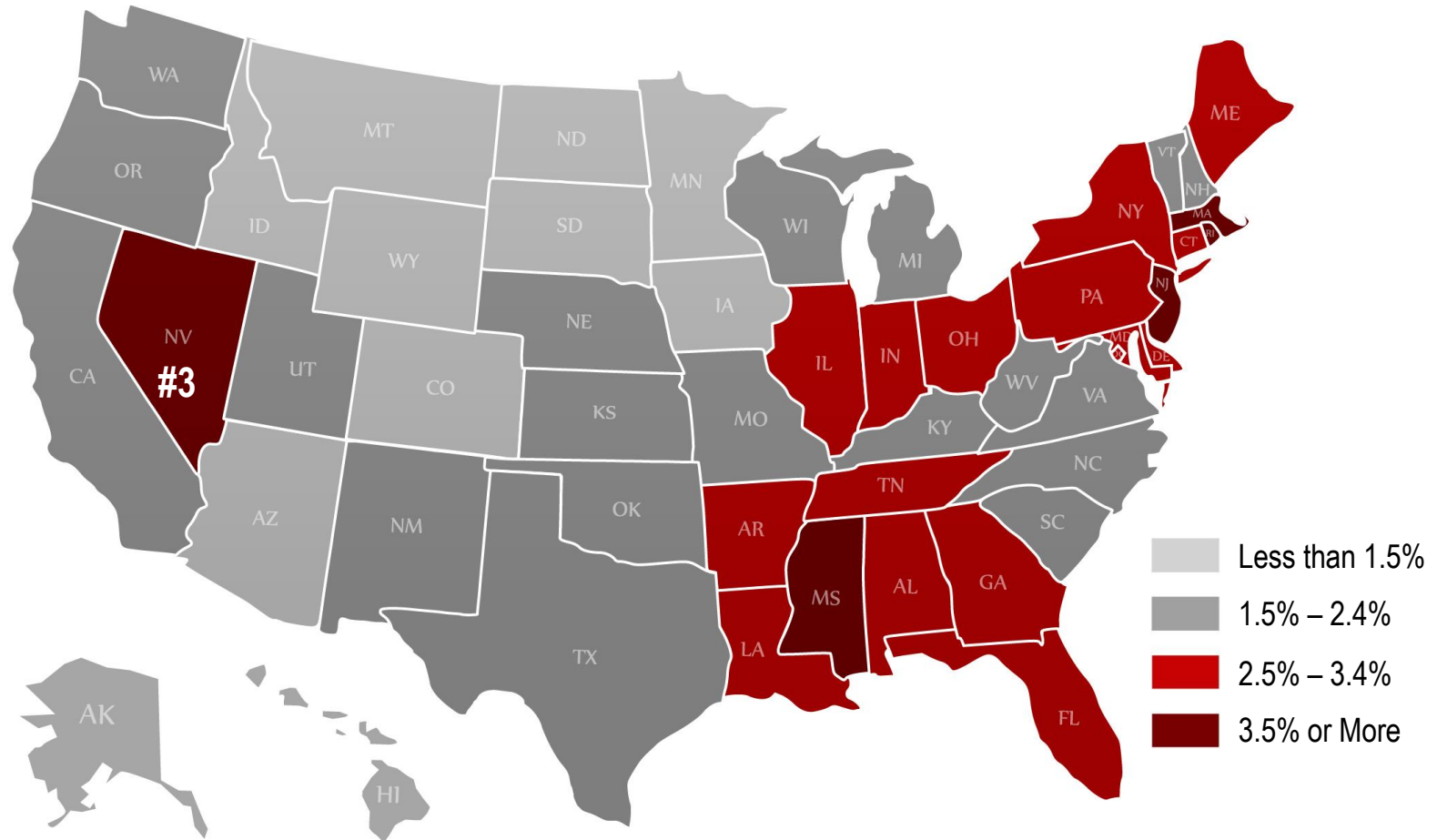


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Loans 90 Days Past Due



Source: Mortgage Bankers Association, National Delinquency Survey Q2 2014

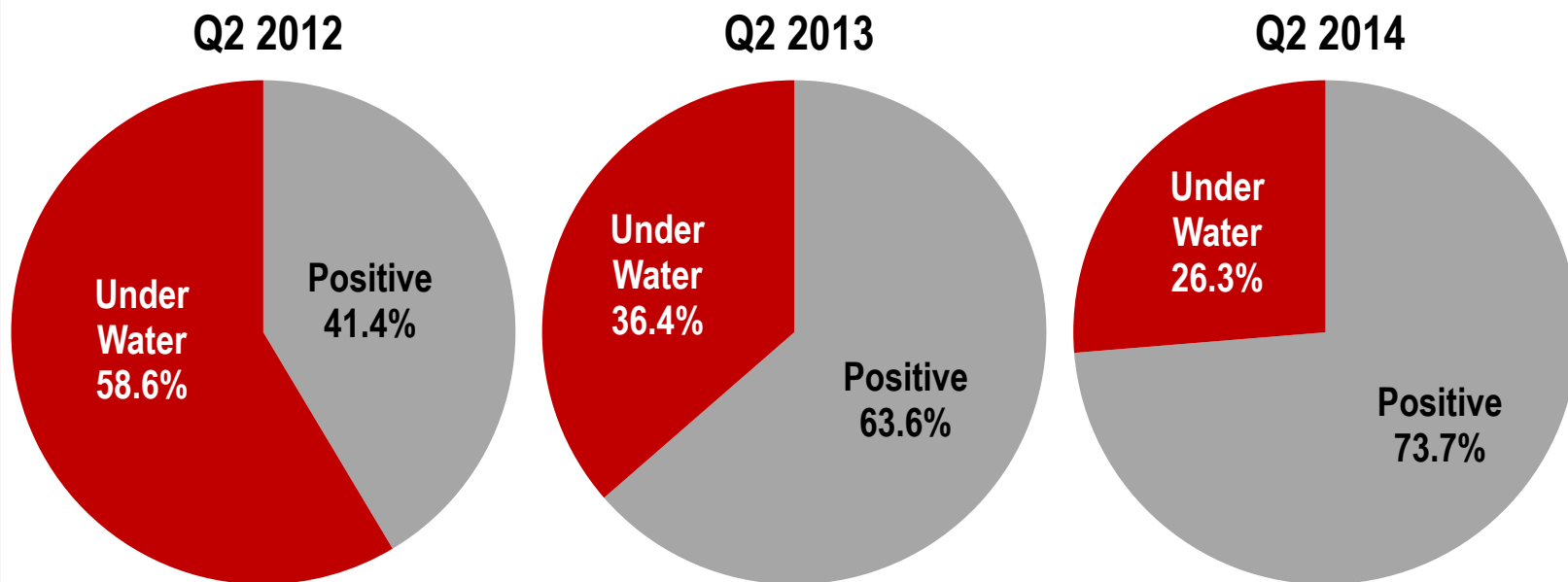


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Nevada Homeowner's Equity



Source: CoreLogic



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TOURISM



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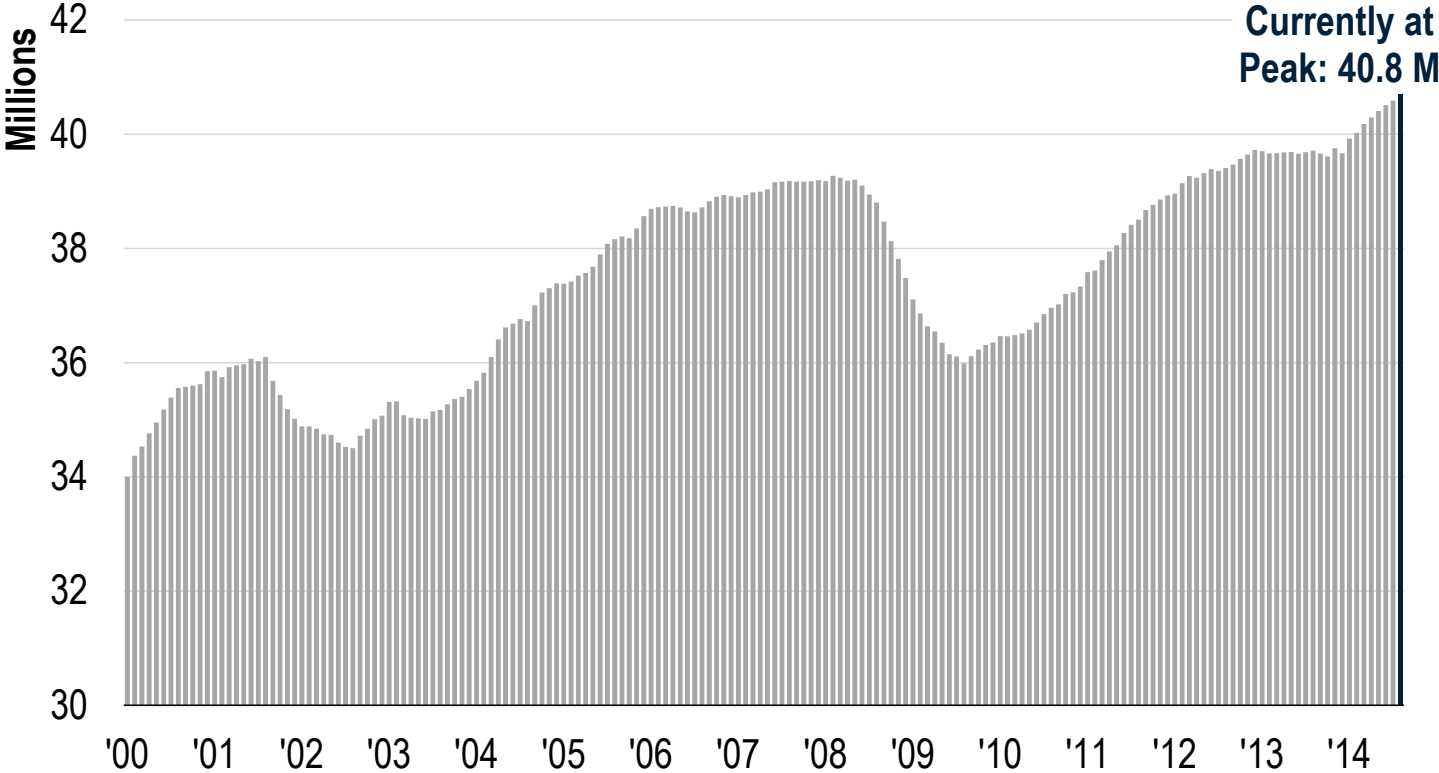


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Las Vegas Visitor Volume

Trailing 12-Month Total



Source: Las Vegas Convention & Visitors Authority

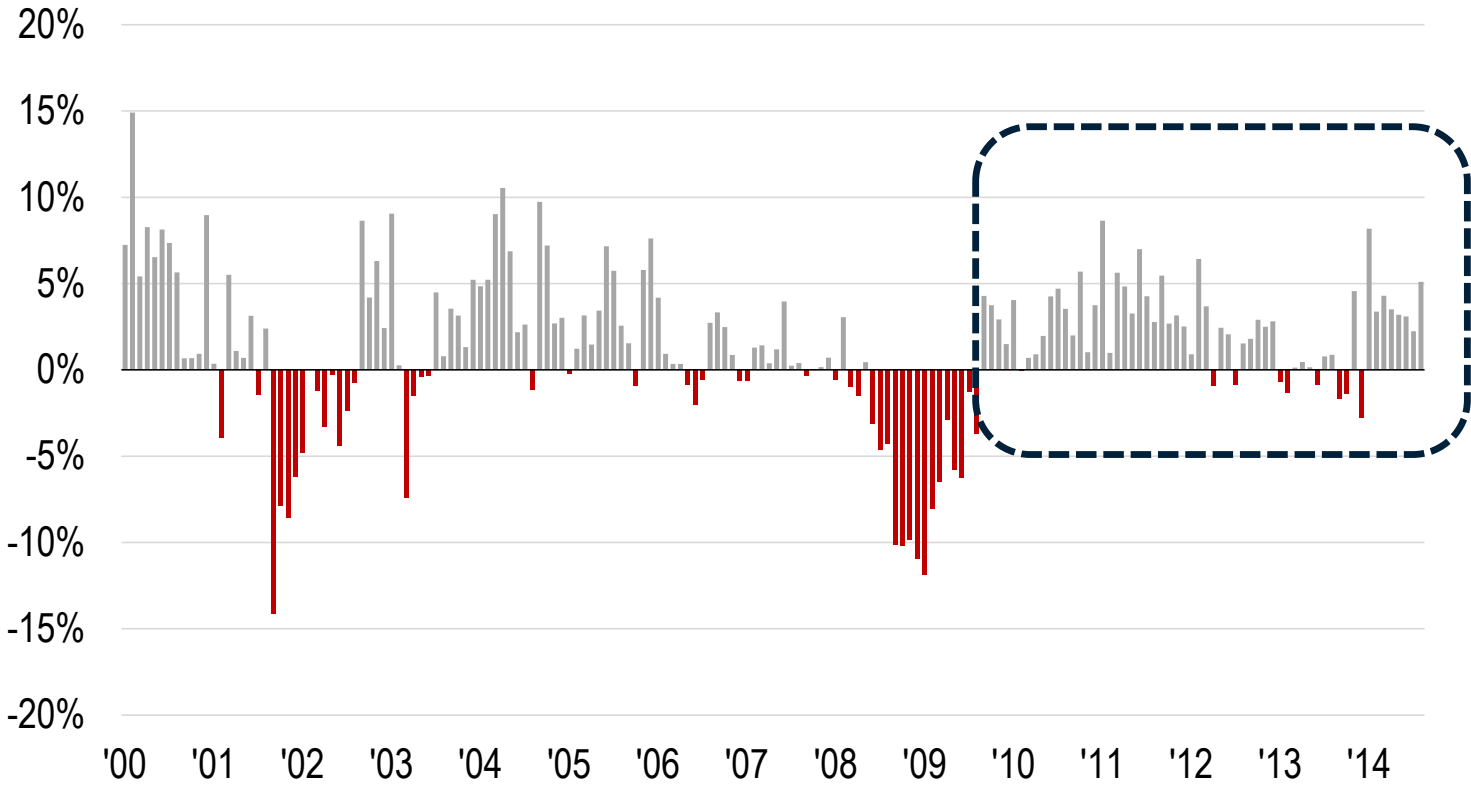


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Las Vegas Visitor Volume Y-O-Y Growth



Source: Las Vegas Convention & Visitors Authority



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Ratio of Visitor Volume to Population

Top Five



Source: Individual Visitor Bureaus and U.S. Census Bureau



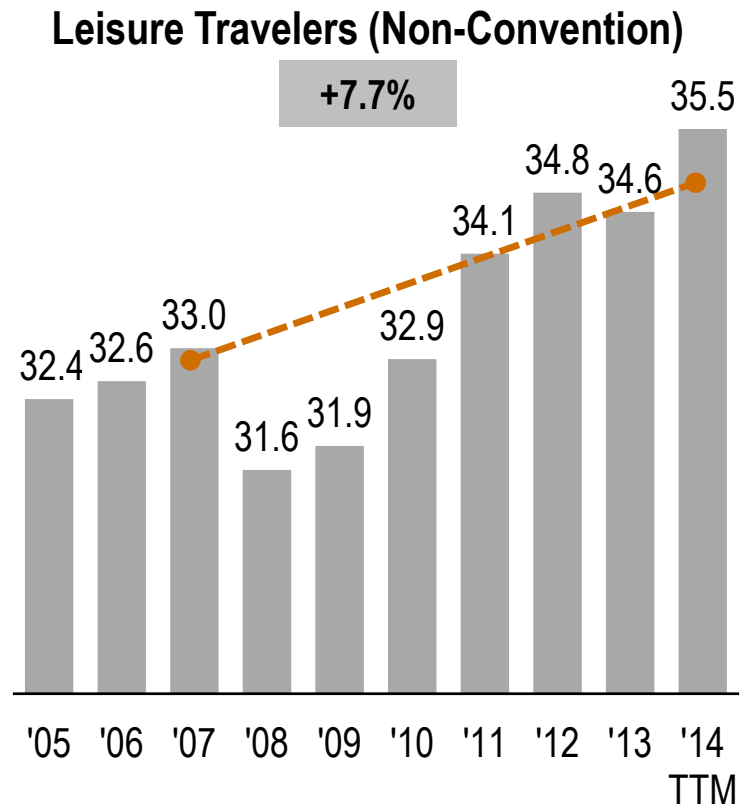
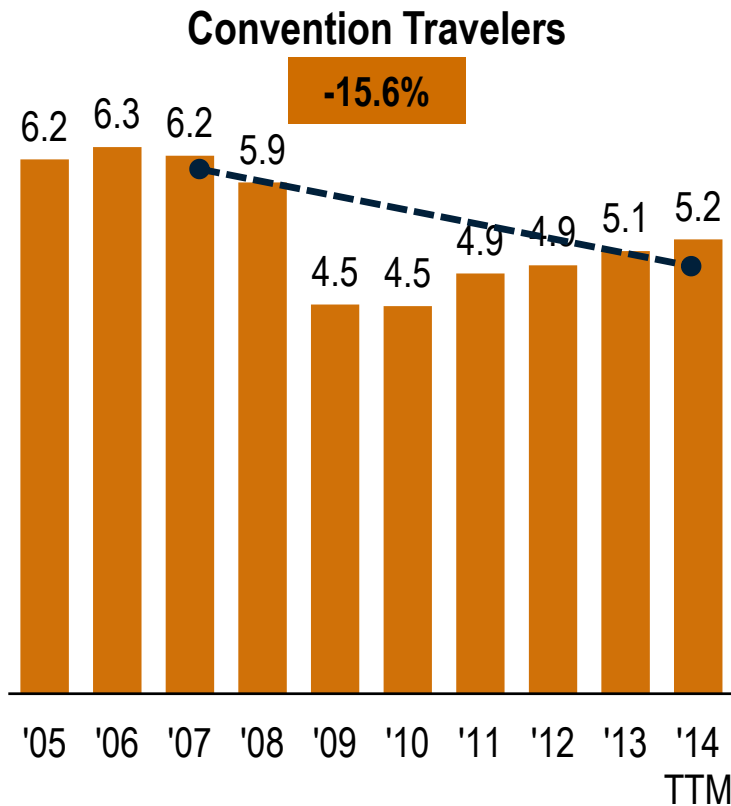
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Leisure & Hospitality Sector

The Mix of Consumers Has Shifted (Visitor Volume to Las Vegas in Millions)



Source: Las Vegas Convention & Visitors Authority



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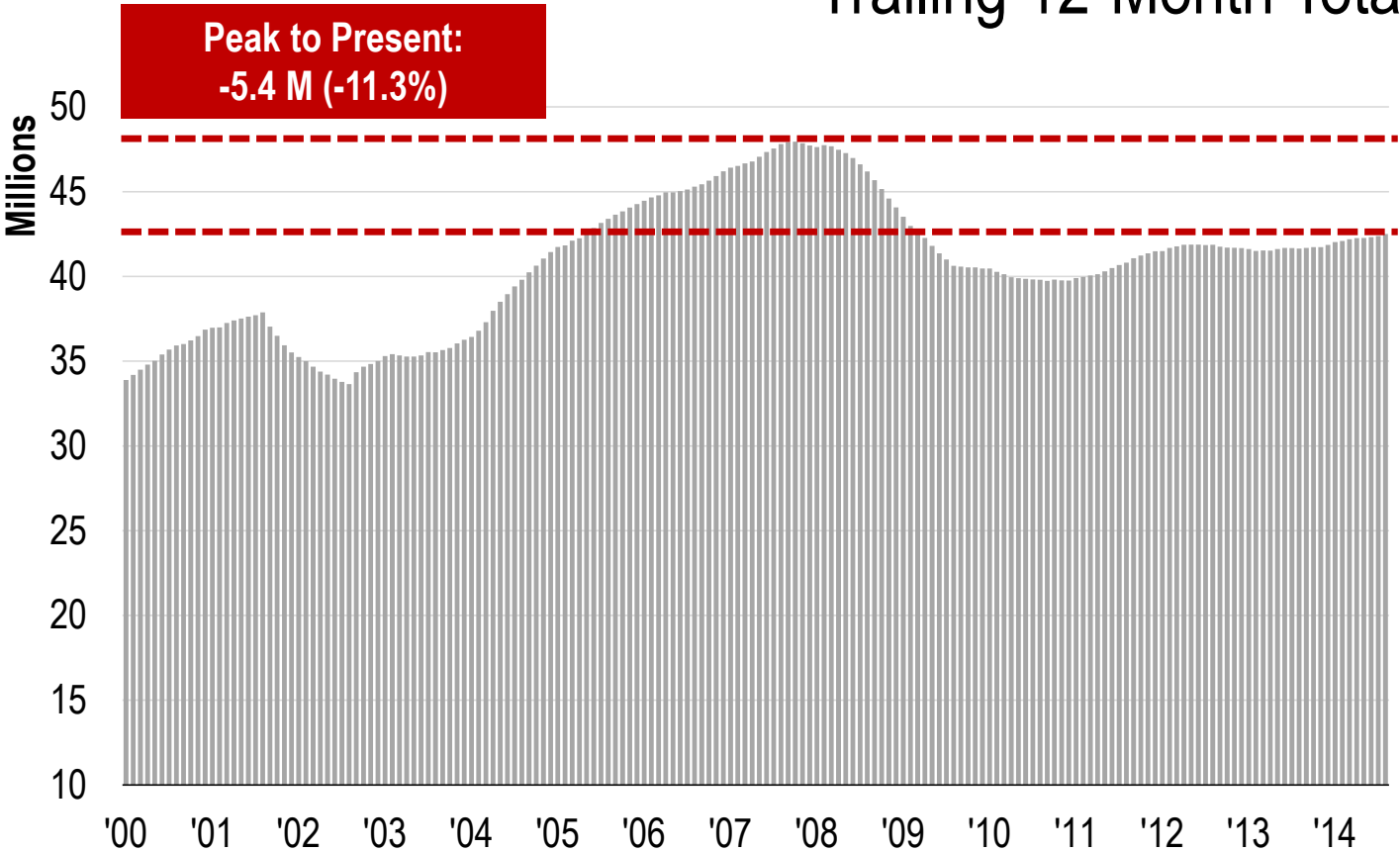


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McCarran Int'l Passengers

Trailing 12-Month Total



Source: McCarran International Airport

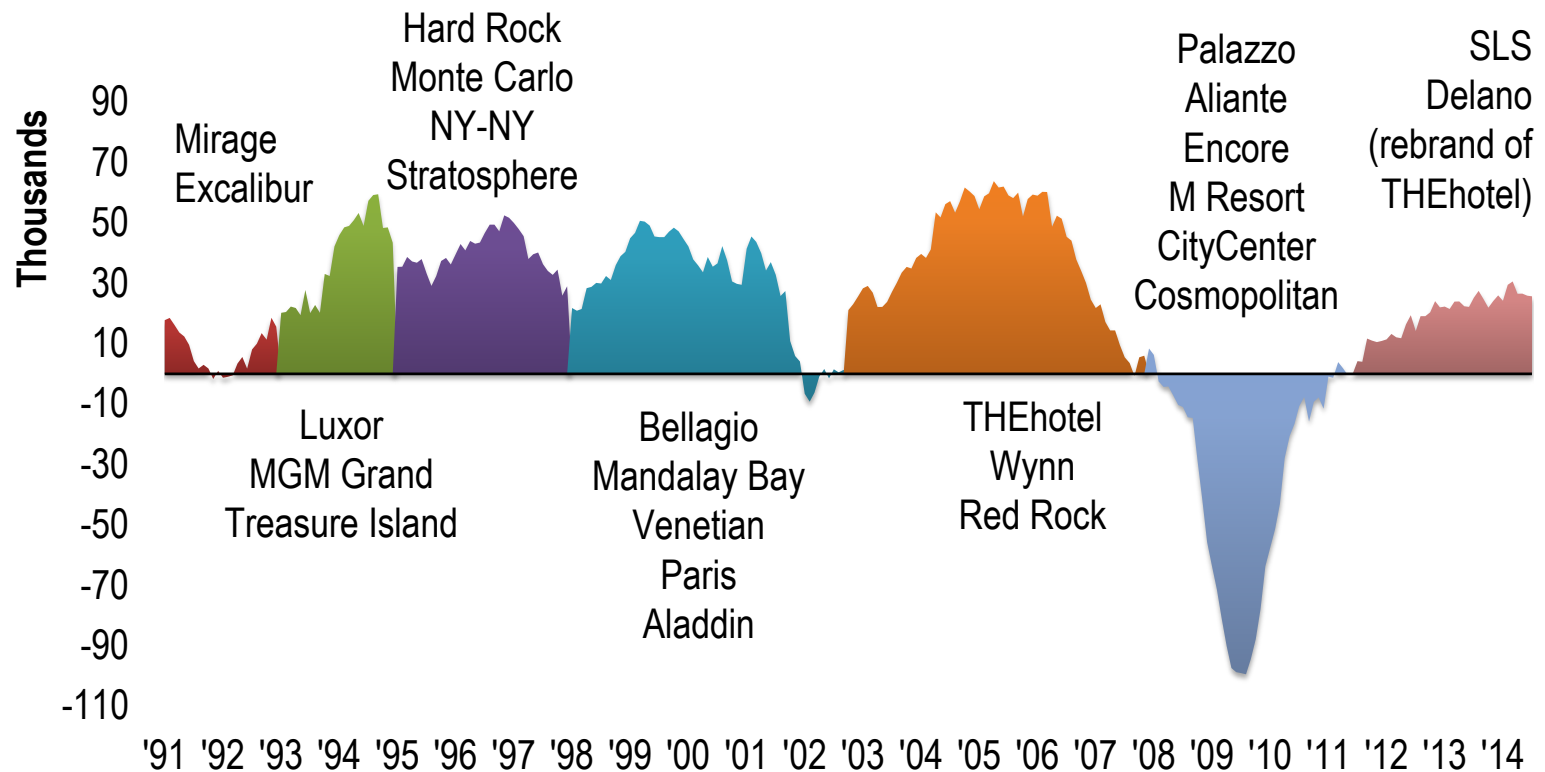


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Employment Growth vs. Resort Opening

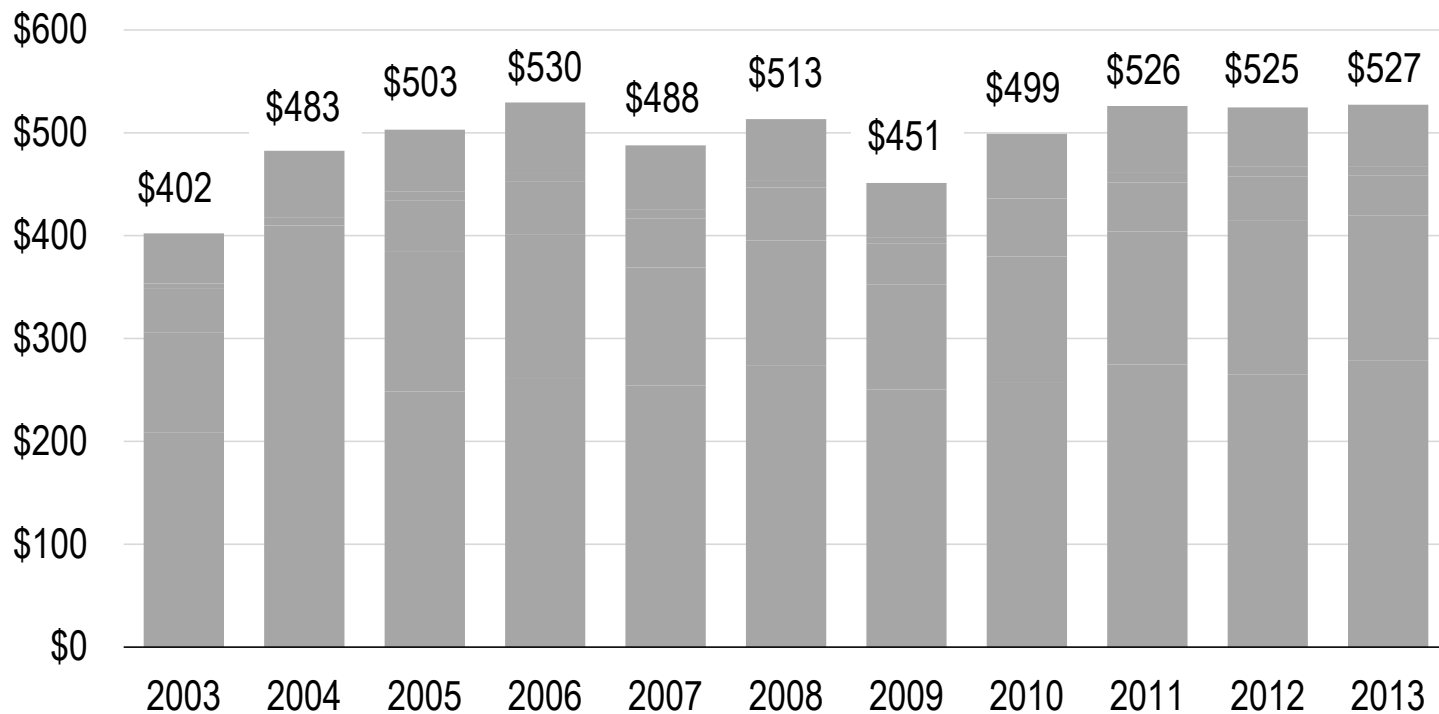


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Las Vegas Average Visitor Spending Non-Gaming Activities



Source: Las Vegas Convention & Visitors Authority, Las Vegas Visitor Profile Study

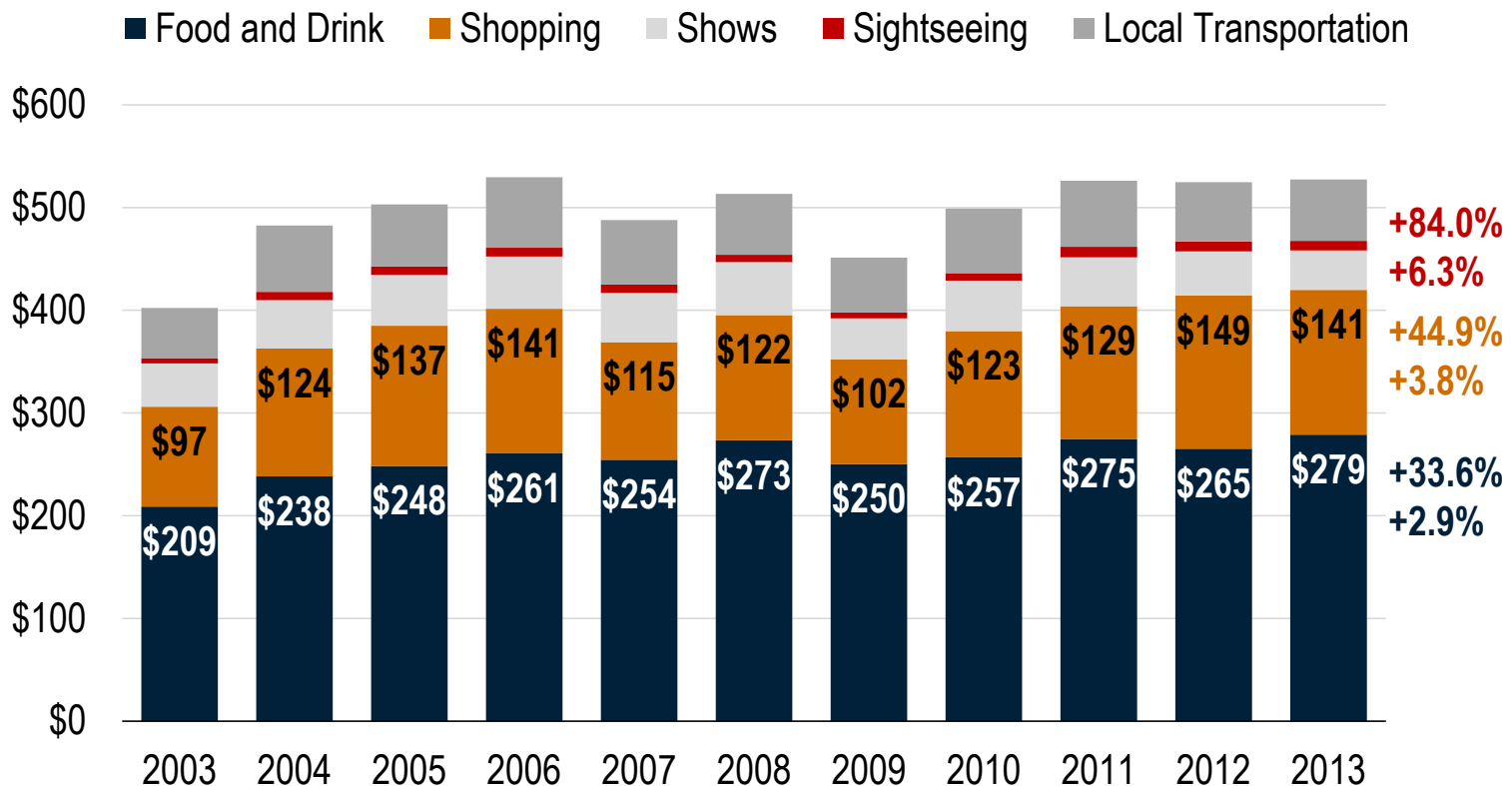


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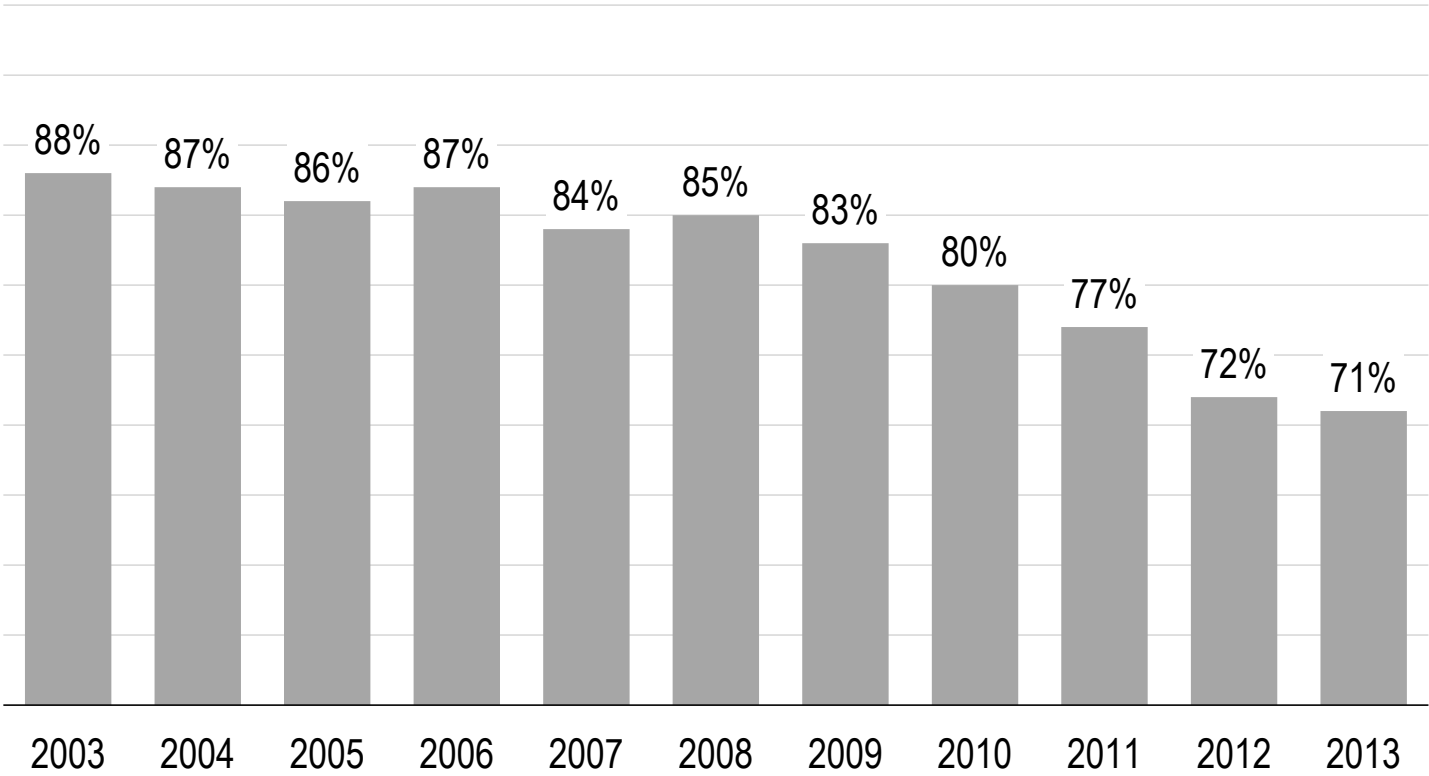
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Percentage of Those Who Gambled



Source: Las Vegas Convention & Visitors Authority, Las Vegas Visitor Profile Study



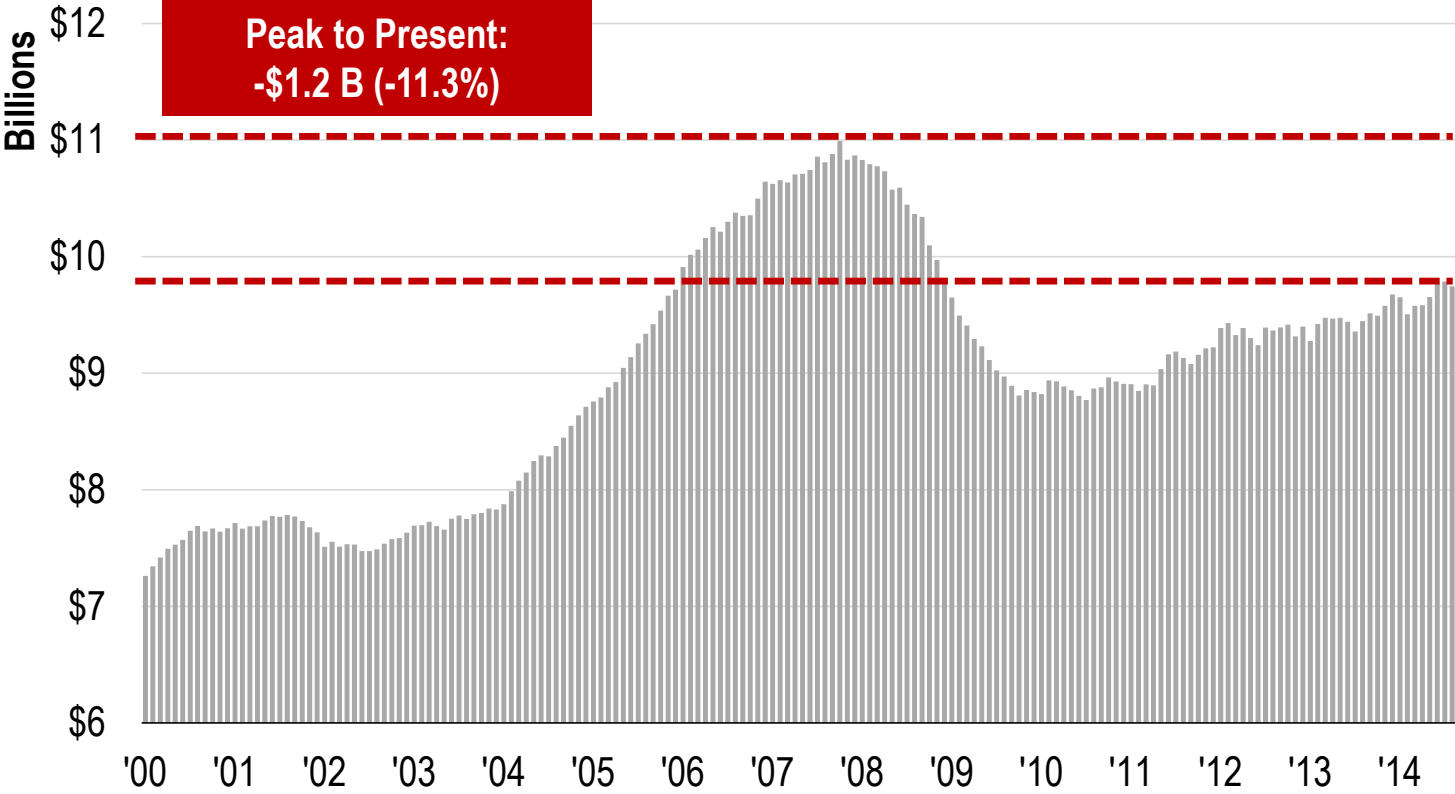
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Clark County Gross Gaming Revenues

Trailing 12-Month Total



Source: Nevada Gaming Control Board



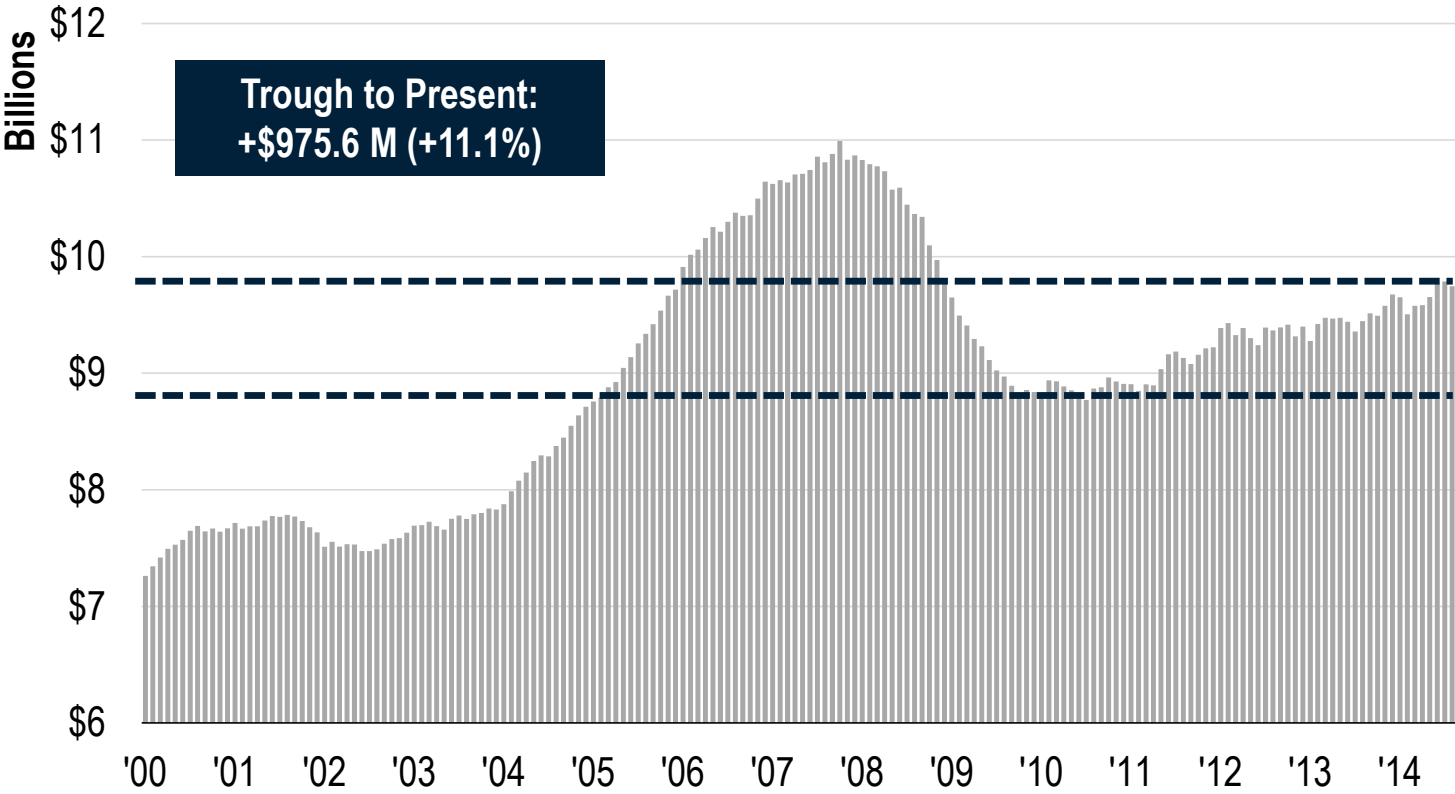
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Clark County Gross Gaming Revenues

Trailing 12-Month Total



Source: Nevada Gaming Control Board



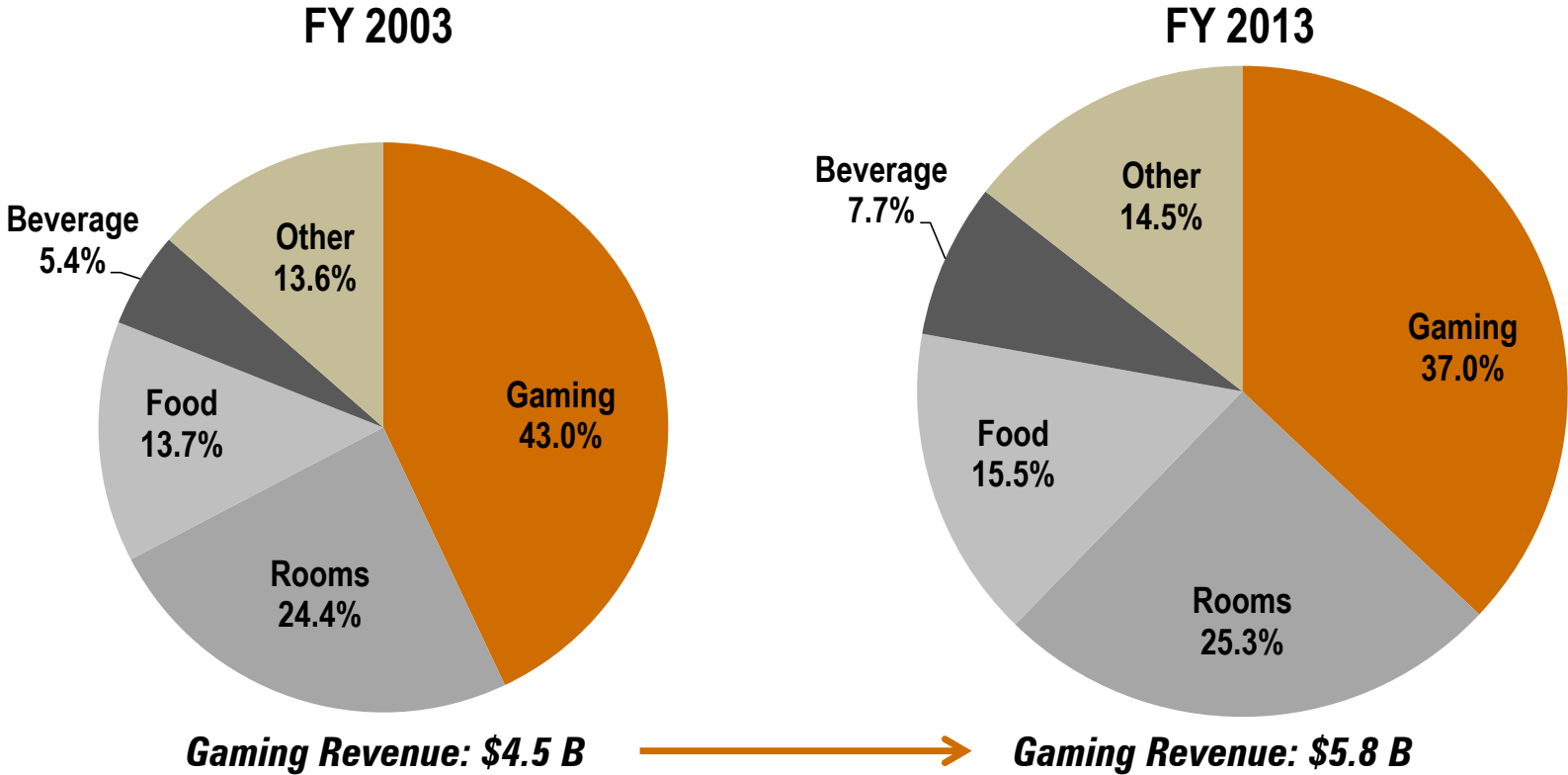
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Casino Revenues – LV Strip Area

Gaming Revenue of \$1 M or More



Source: Nevada Gaming Control Board



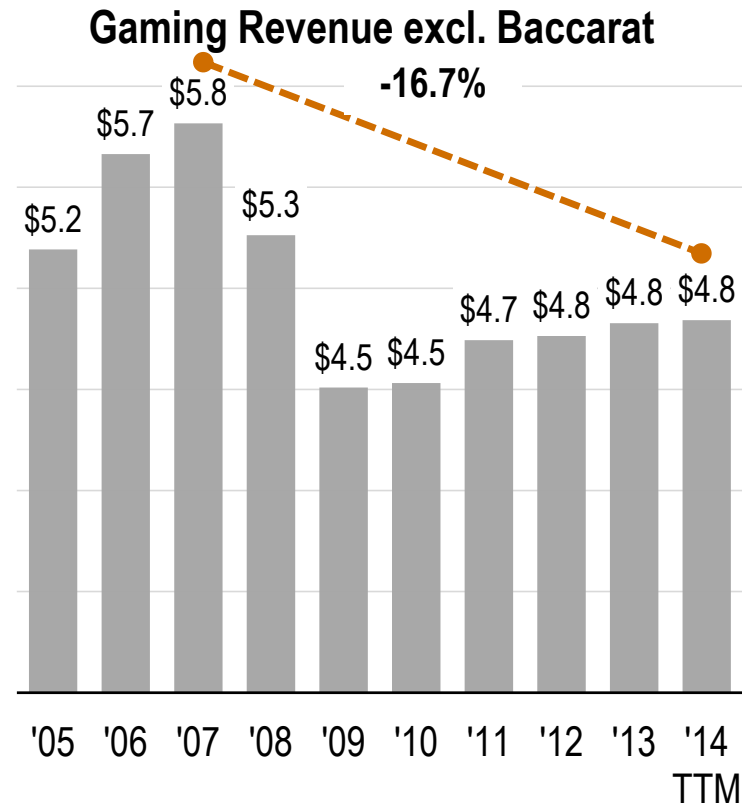
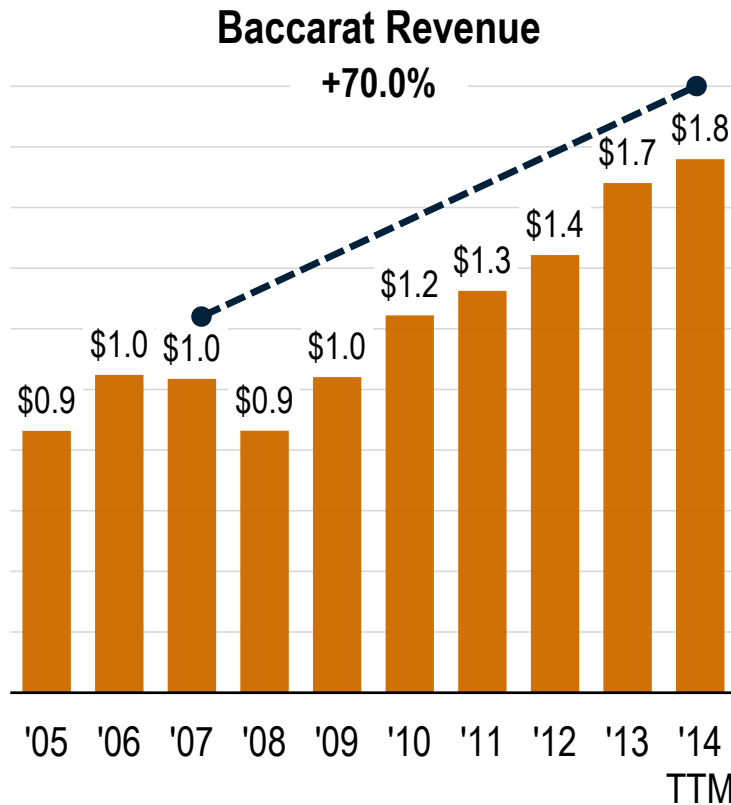
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Leisure & Hospitality Sector

The Mix of Revenue Has Shifted (Strip Gaming Revenue in Billions)



Source: Nevada Gaming Control Board



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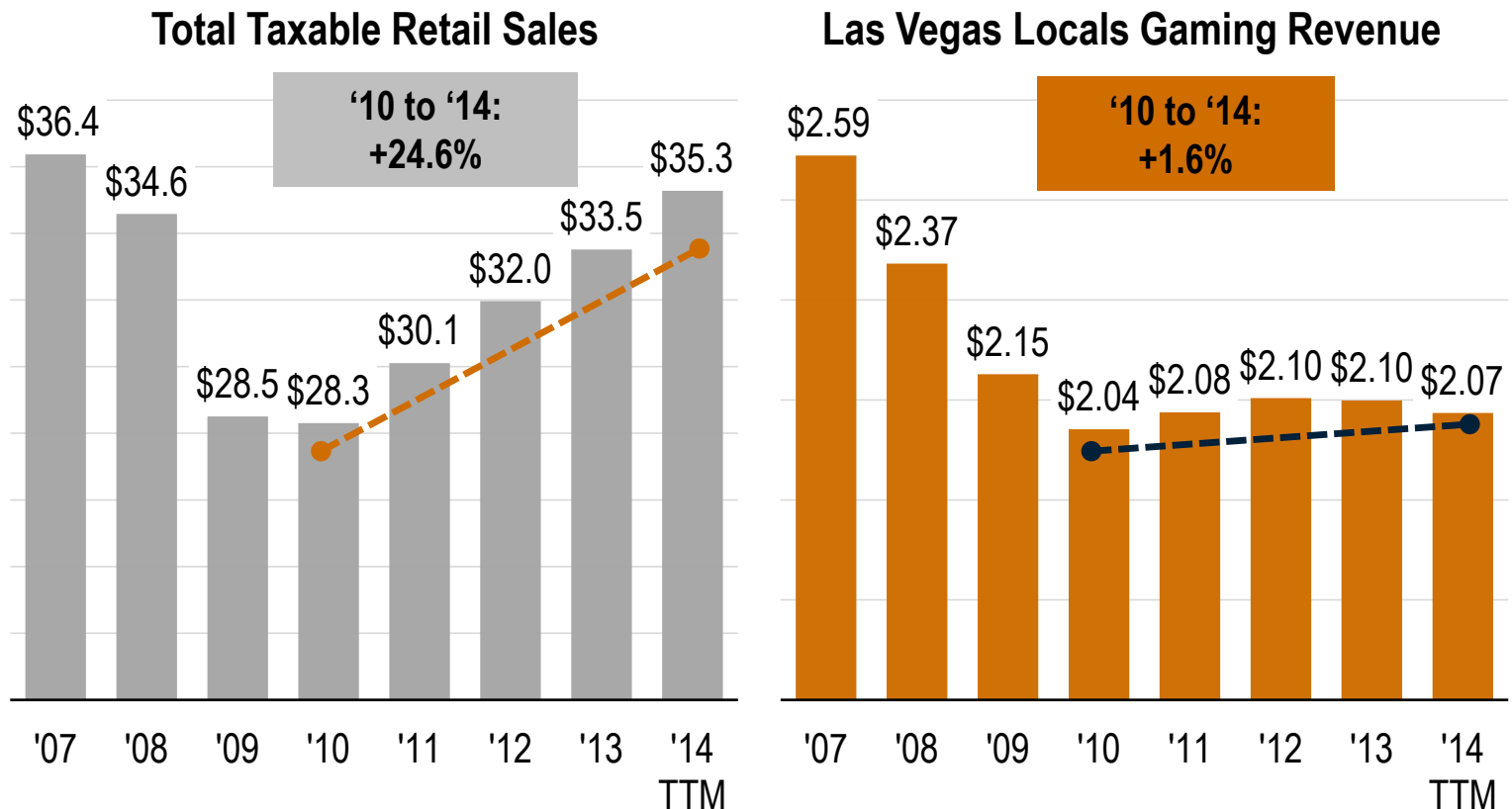
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Even the Locals Gaming Market is Changing



Source: Nevada Department of Taxation; Nevada Gaming Control Board; Figures in billions



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COST OF LIVING



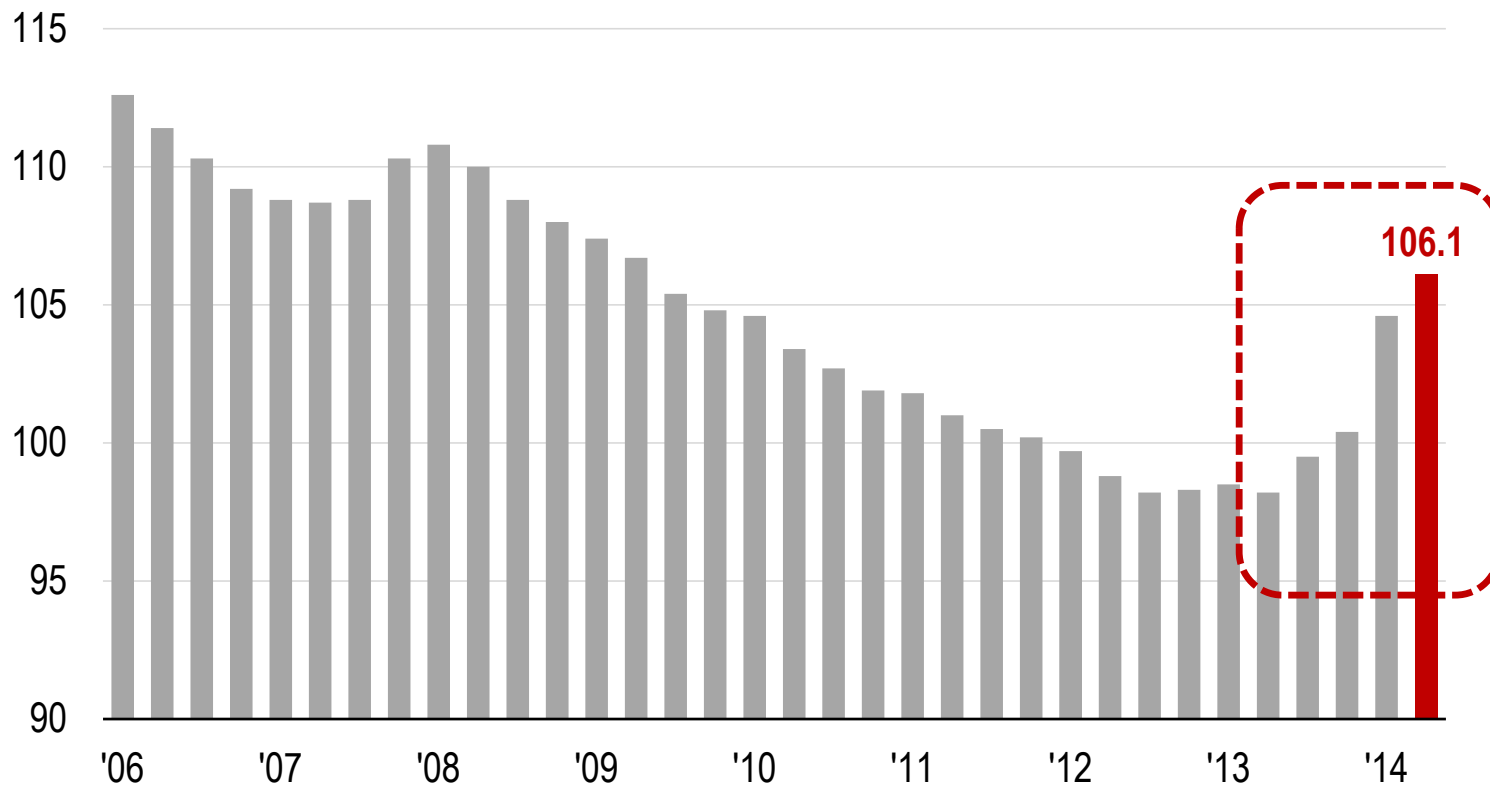
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Cost of Living Index

Las Vegas MSA



Source: The Council for Community and Economic Research



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Cost of Living Index

Las Vegas MSA | Q2 2014

Items	Index Value (100 = National Avg.)
Grocery Items	112.9
Housing	109.1
Utilities	90.5
Transportation	102.1
Health Care	99.9
Misc. Goods and Services	108.1
Composite Index	106.1

Source: The Council for Community and Economic Research



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ECONOMIC DEVELOPMENT



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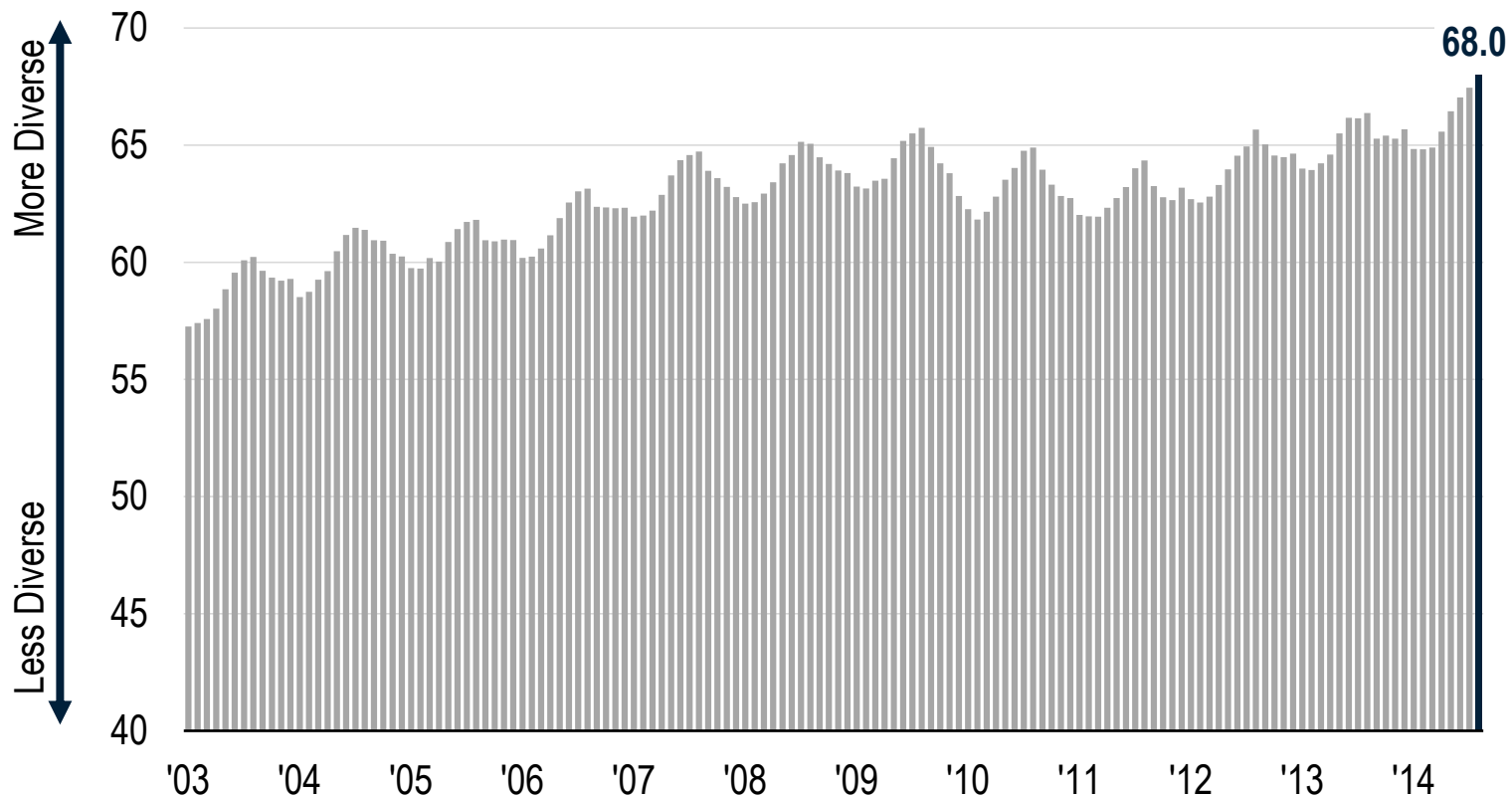


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Hachman Index (Employment Diversity Index)

Las Vegas MSA (100=National Diversity)



Source: Applied Analysis; United States Bureau of Labor Statistics



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TESLA



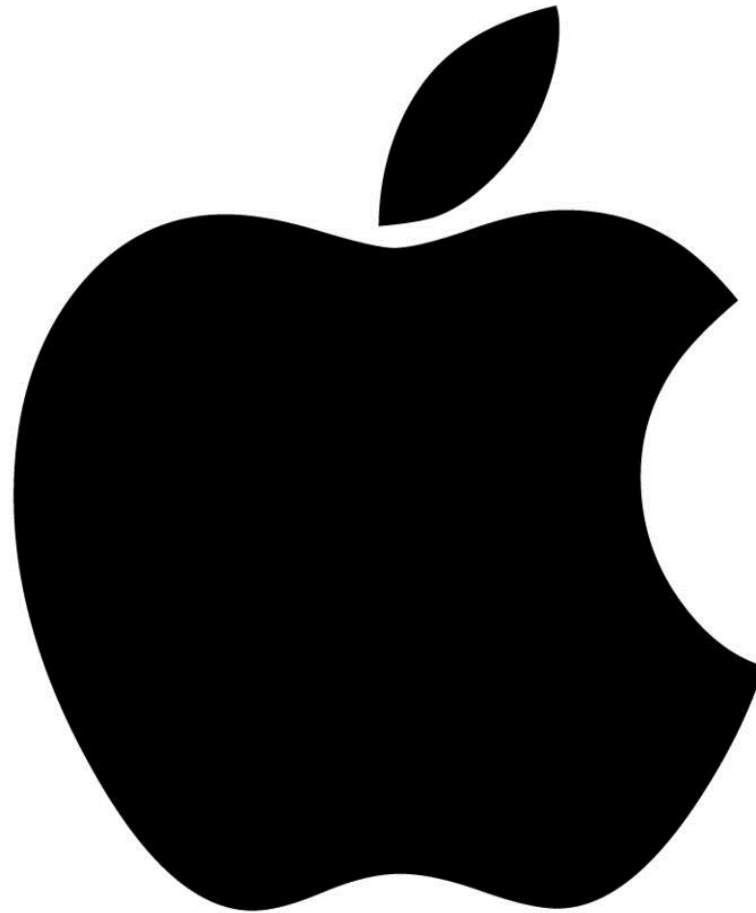
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STRIP INVESTMENT



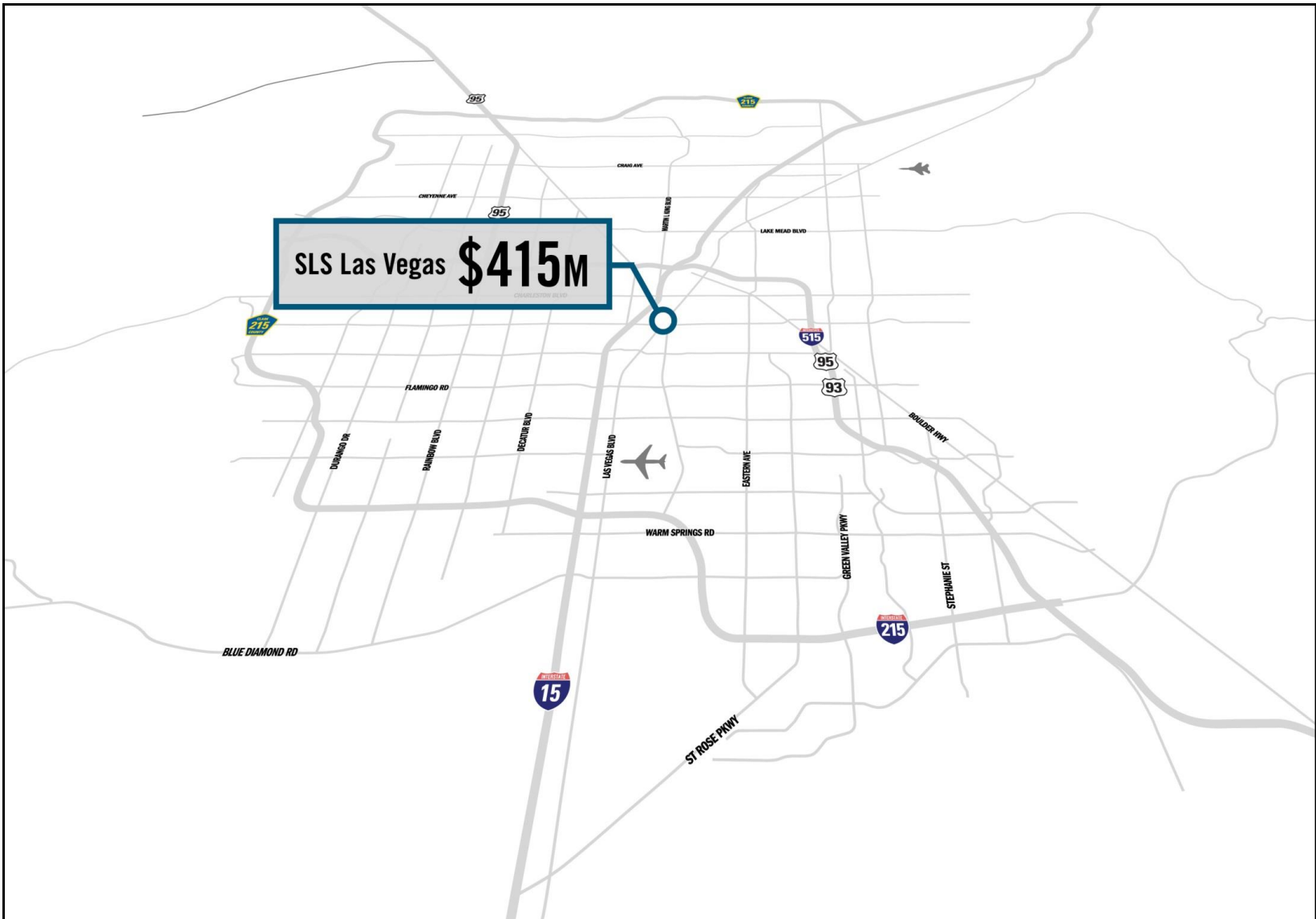
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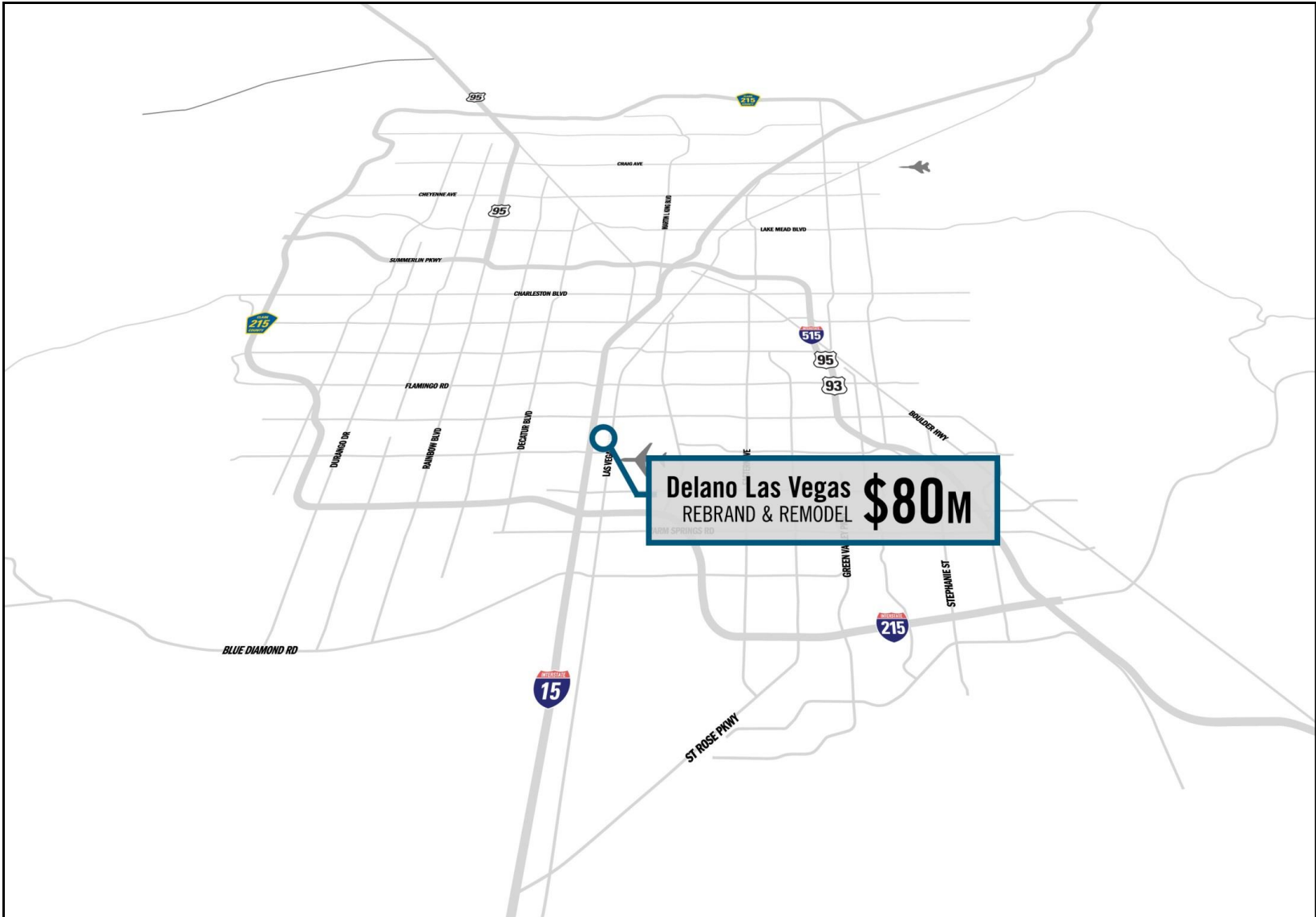
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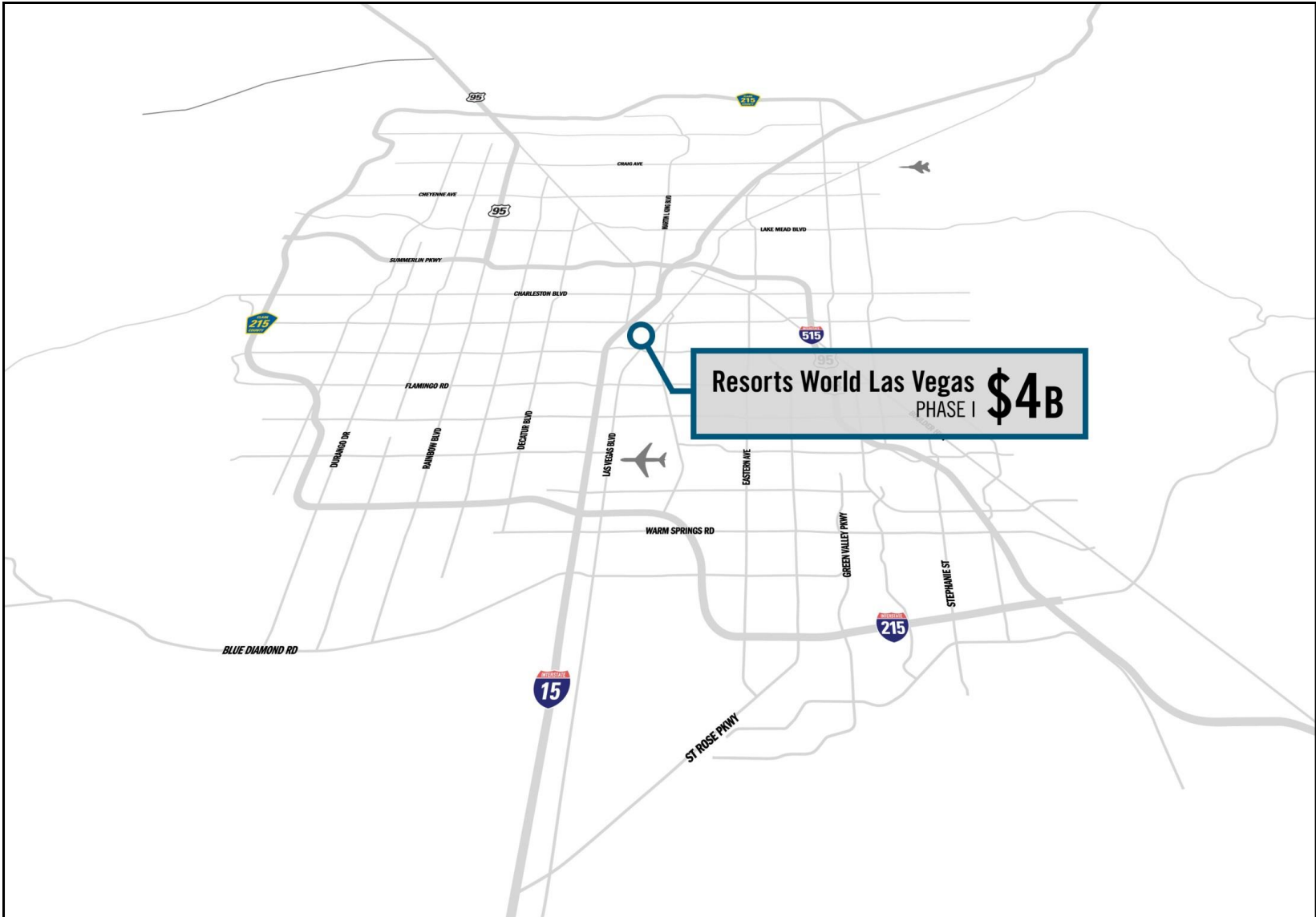
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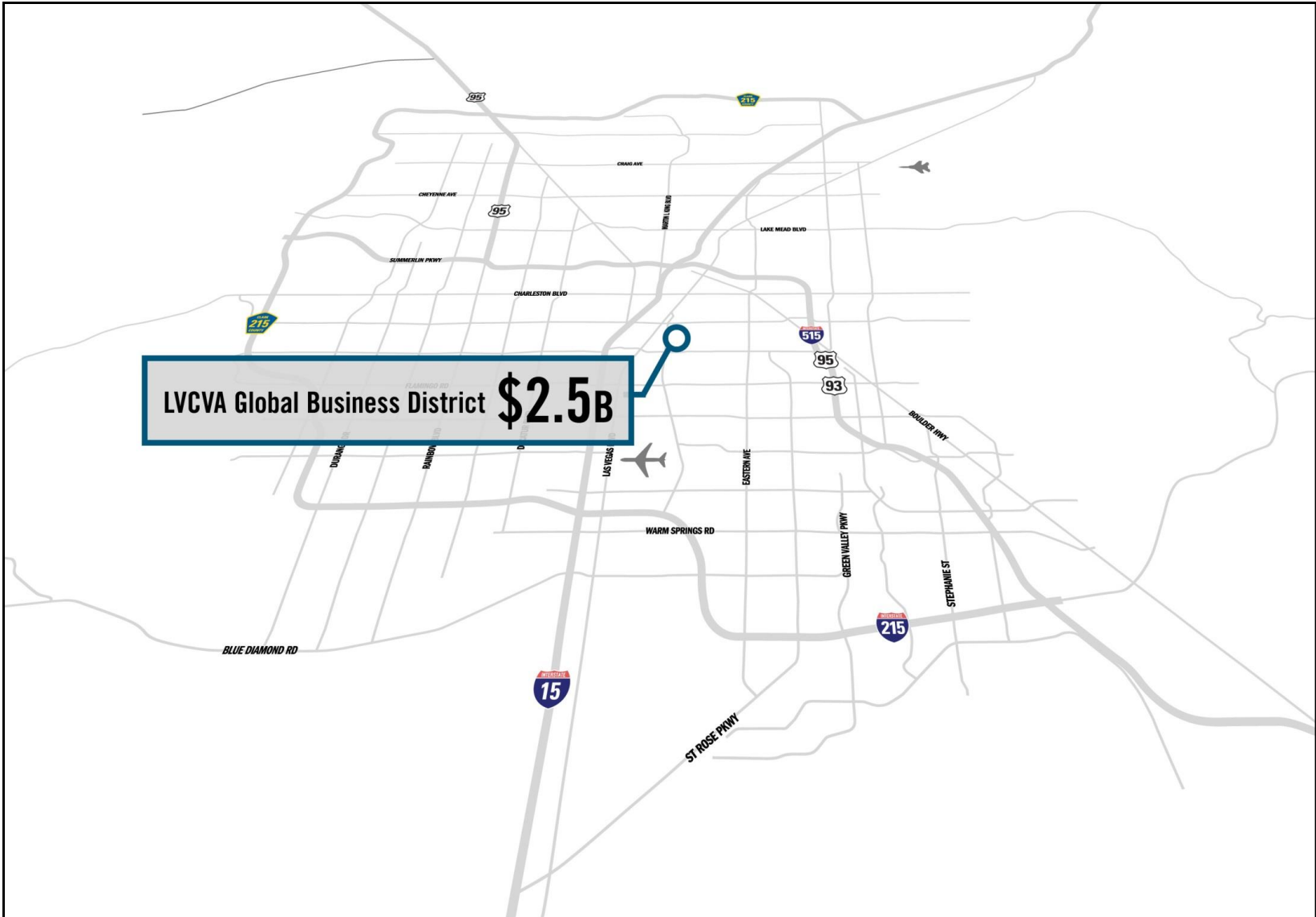
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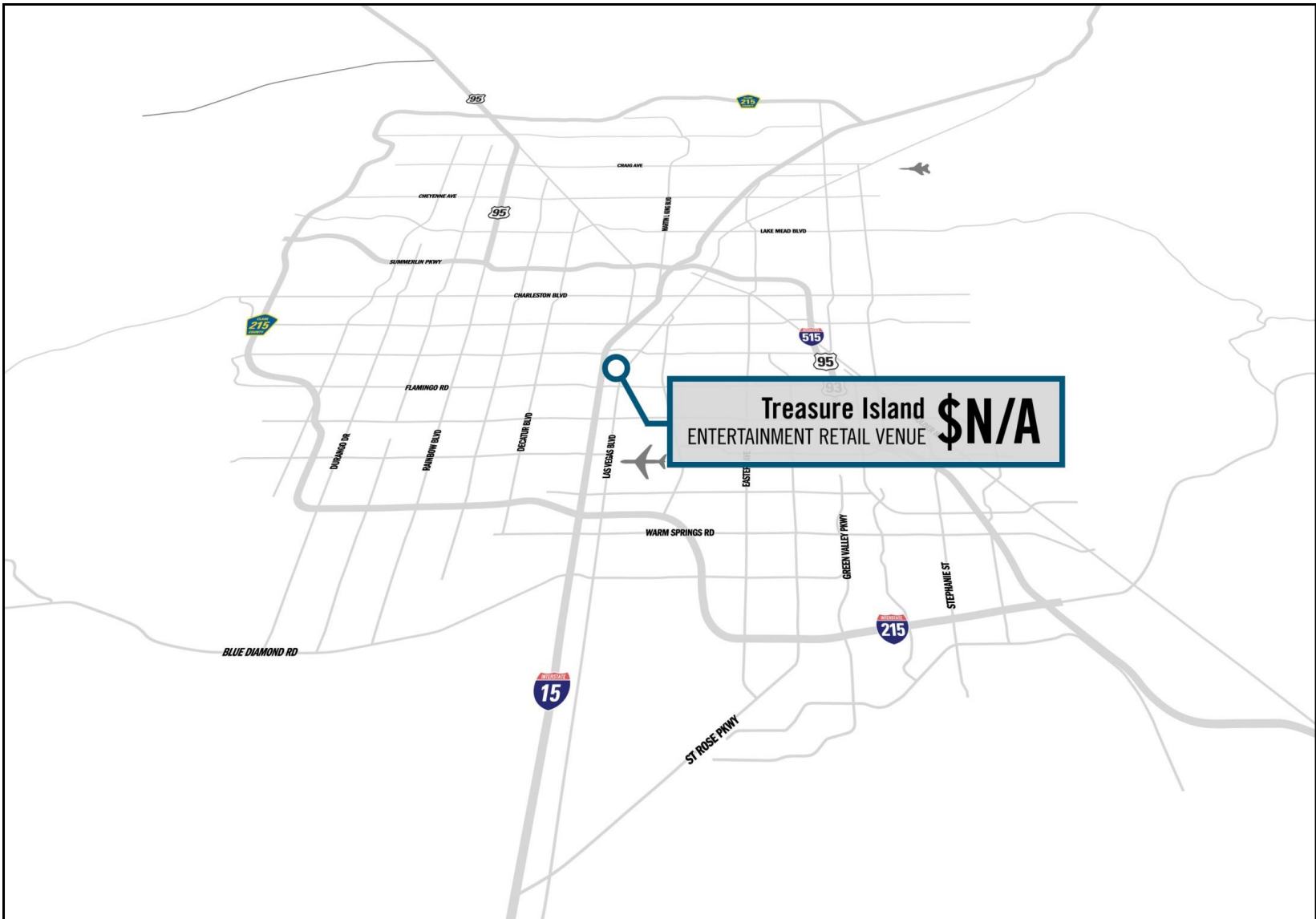
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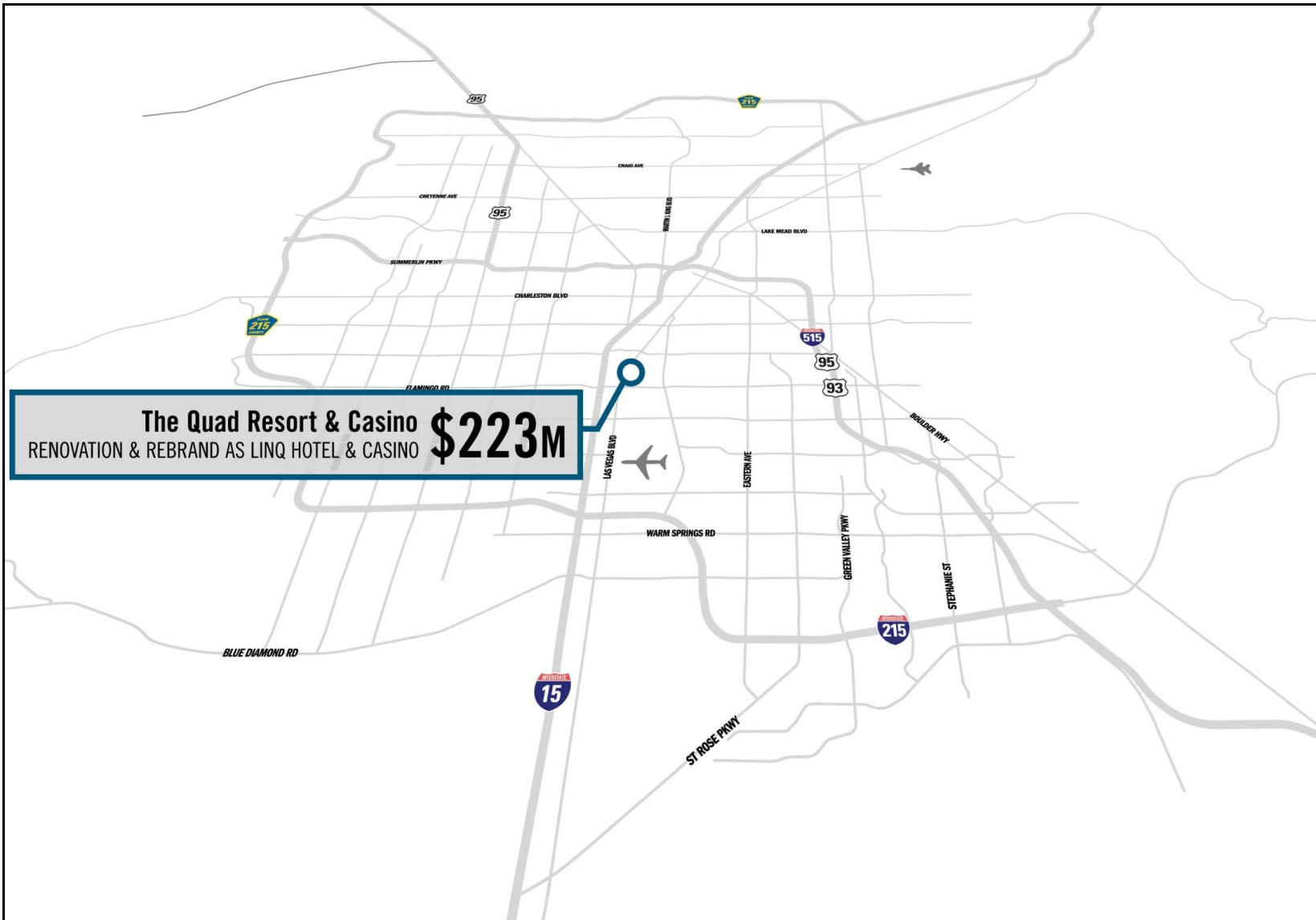
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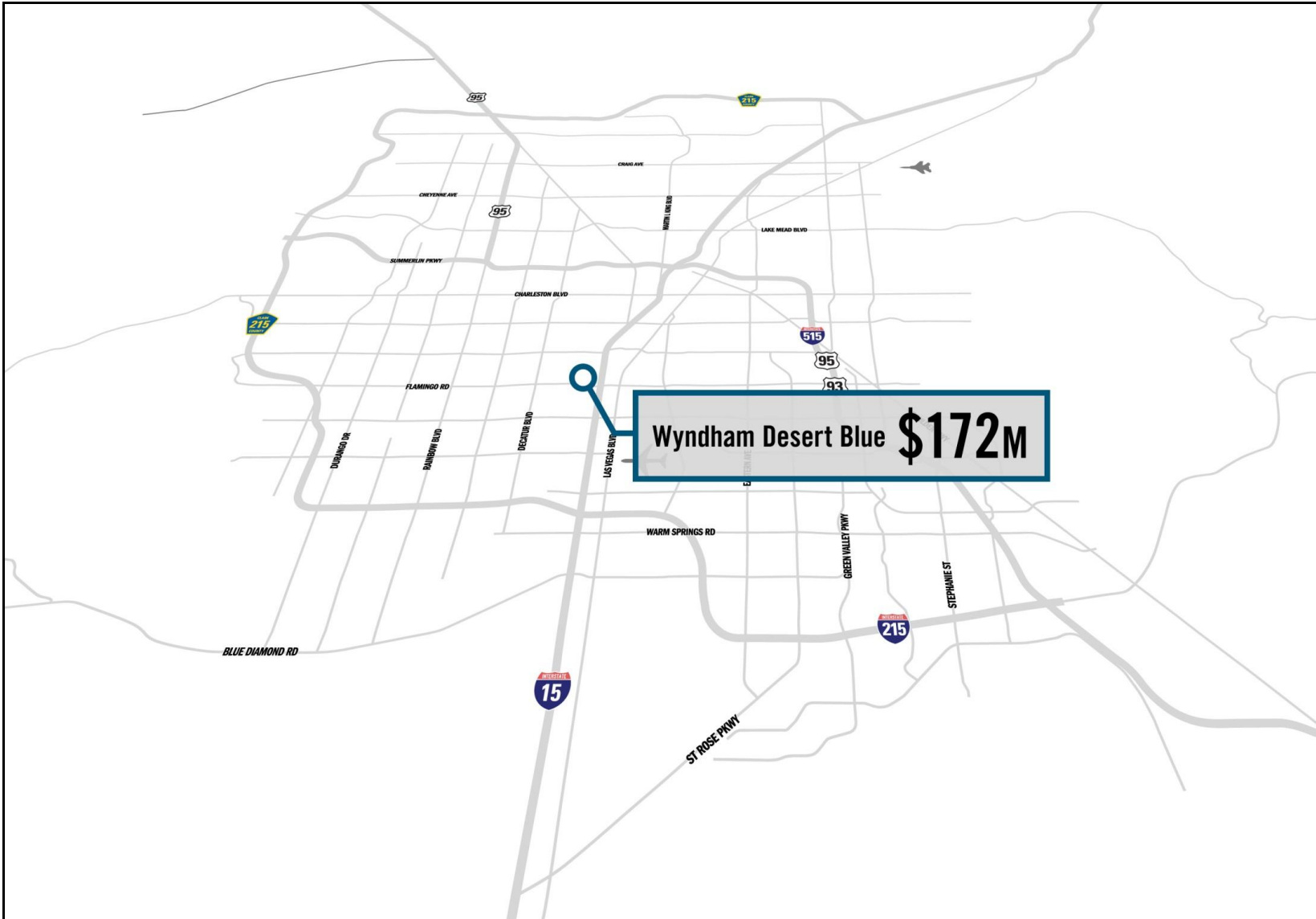
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NICKROZ



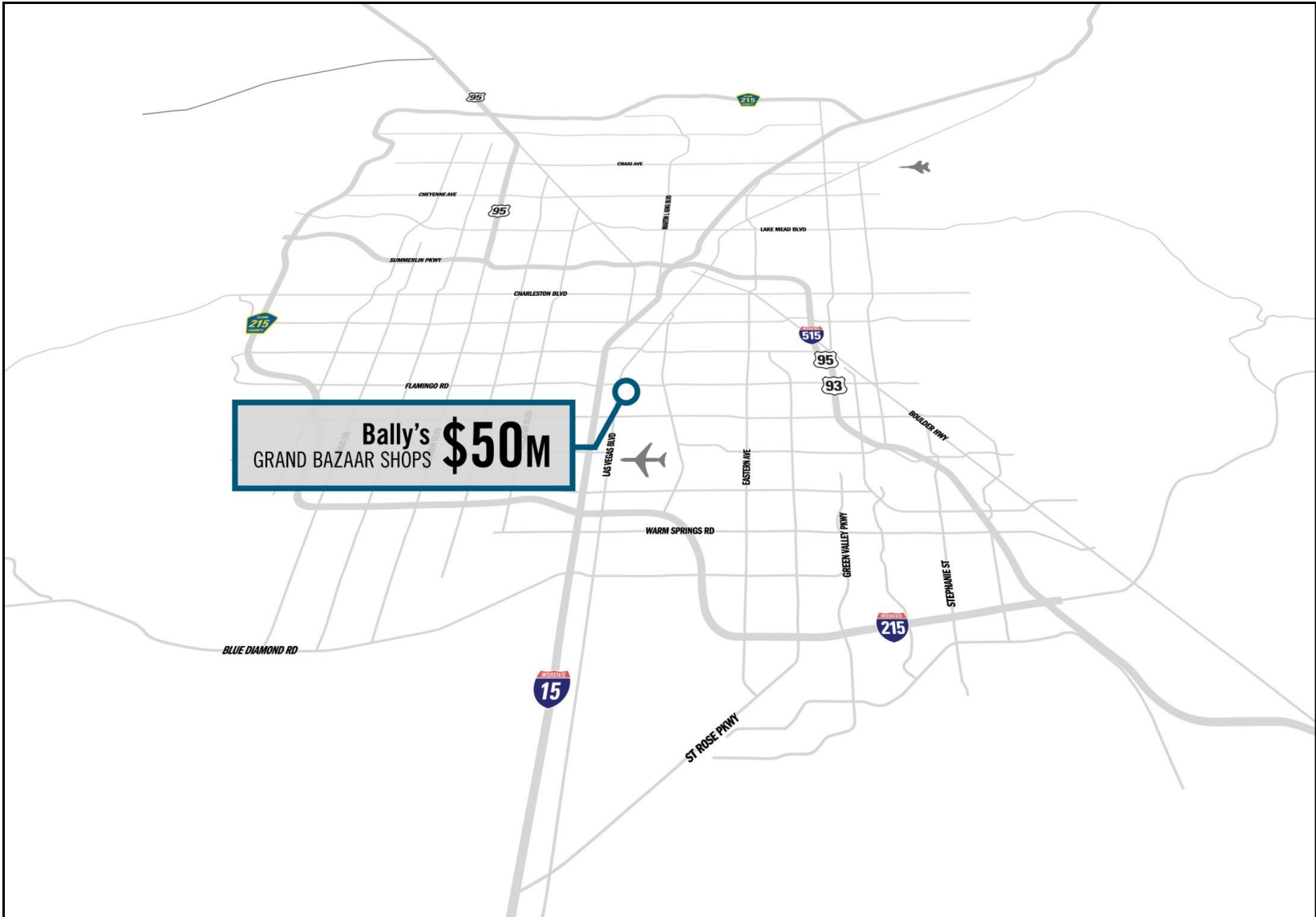
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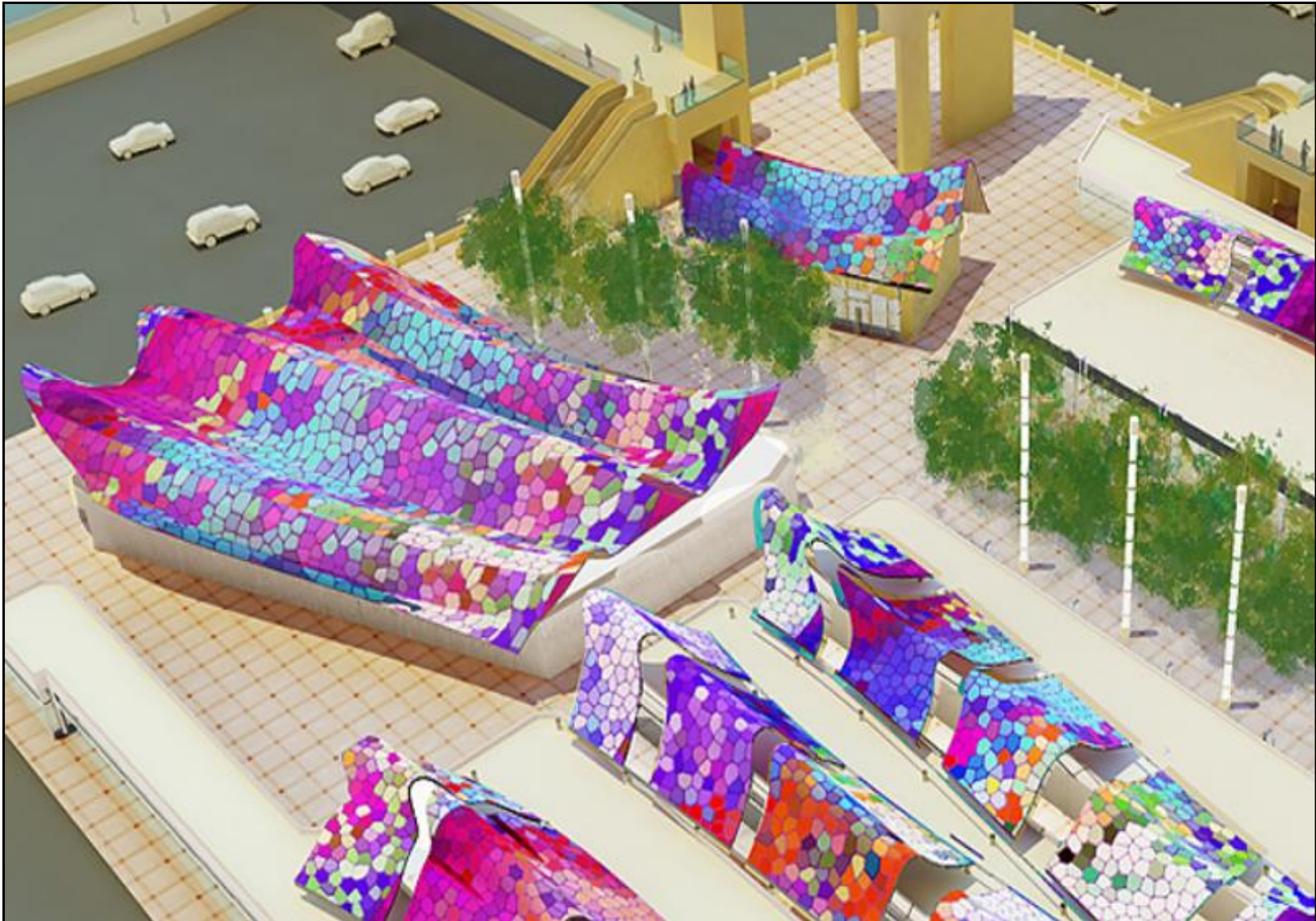
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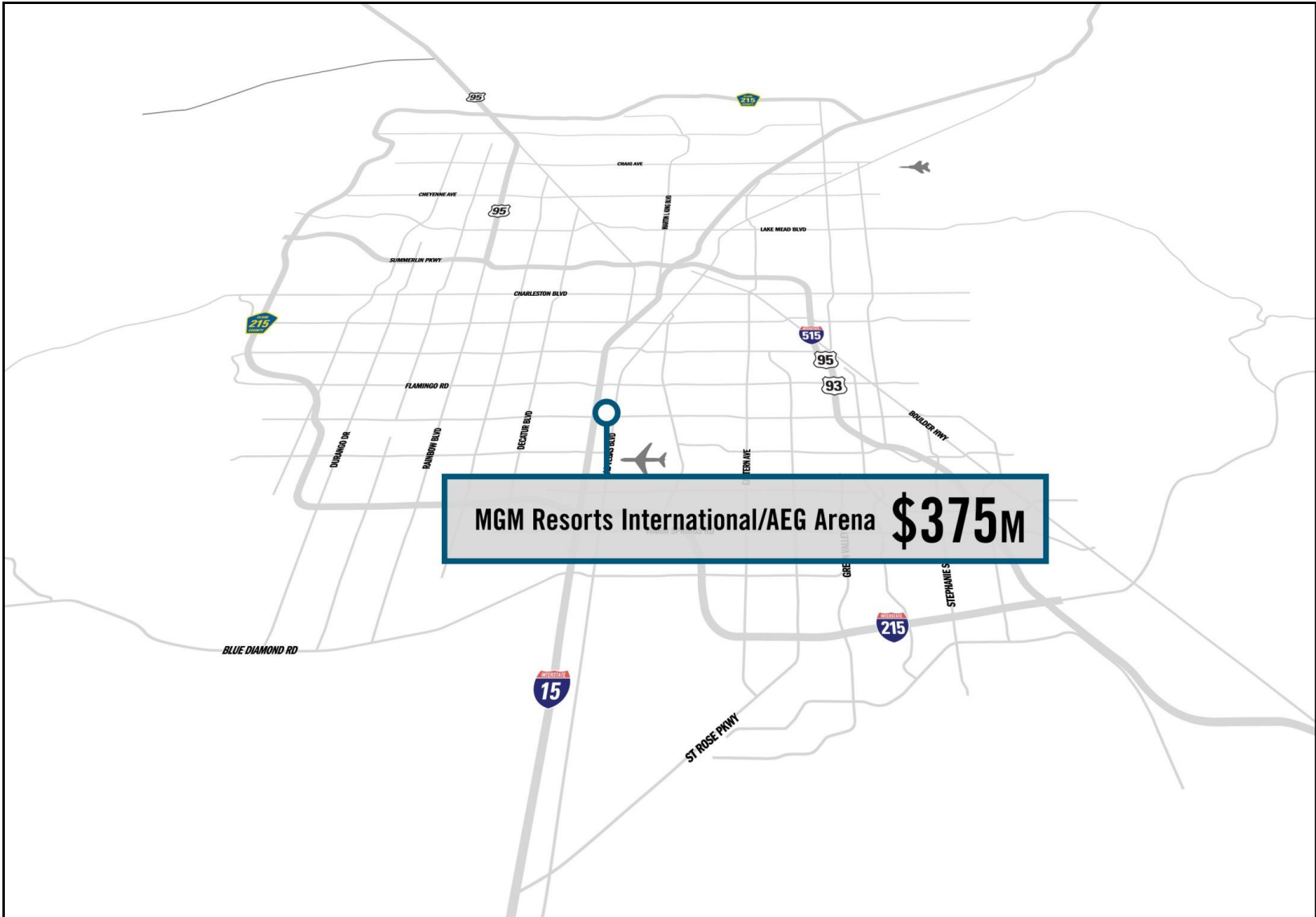
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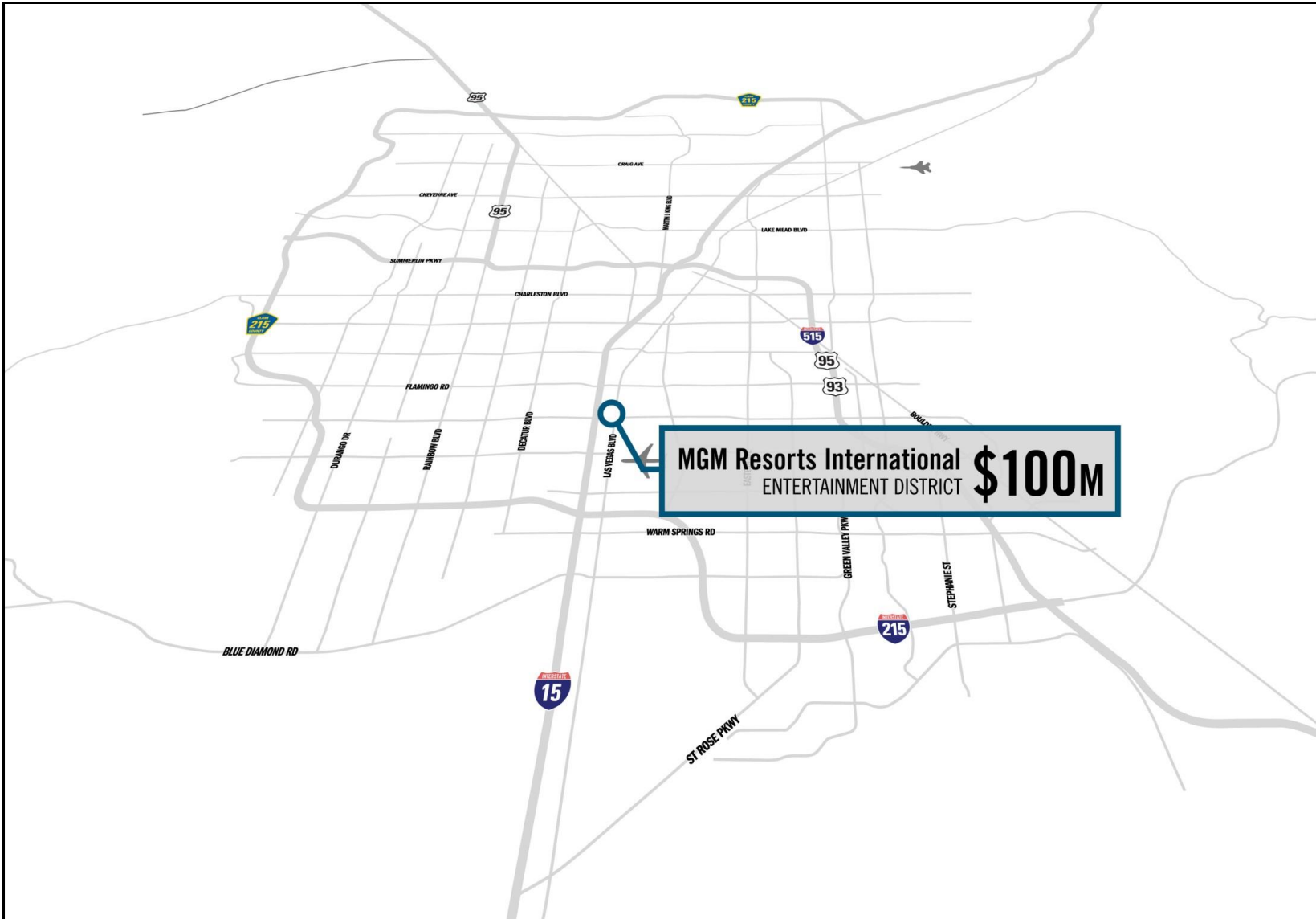
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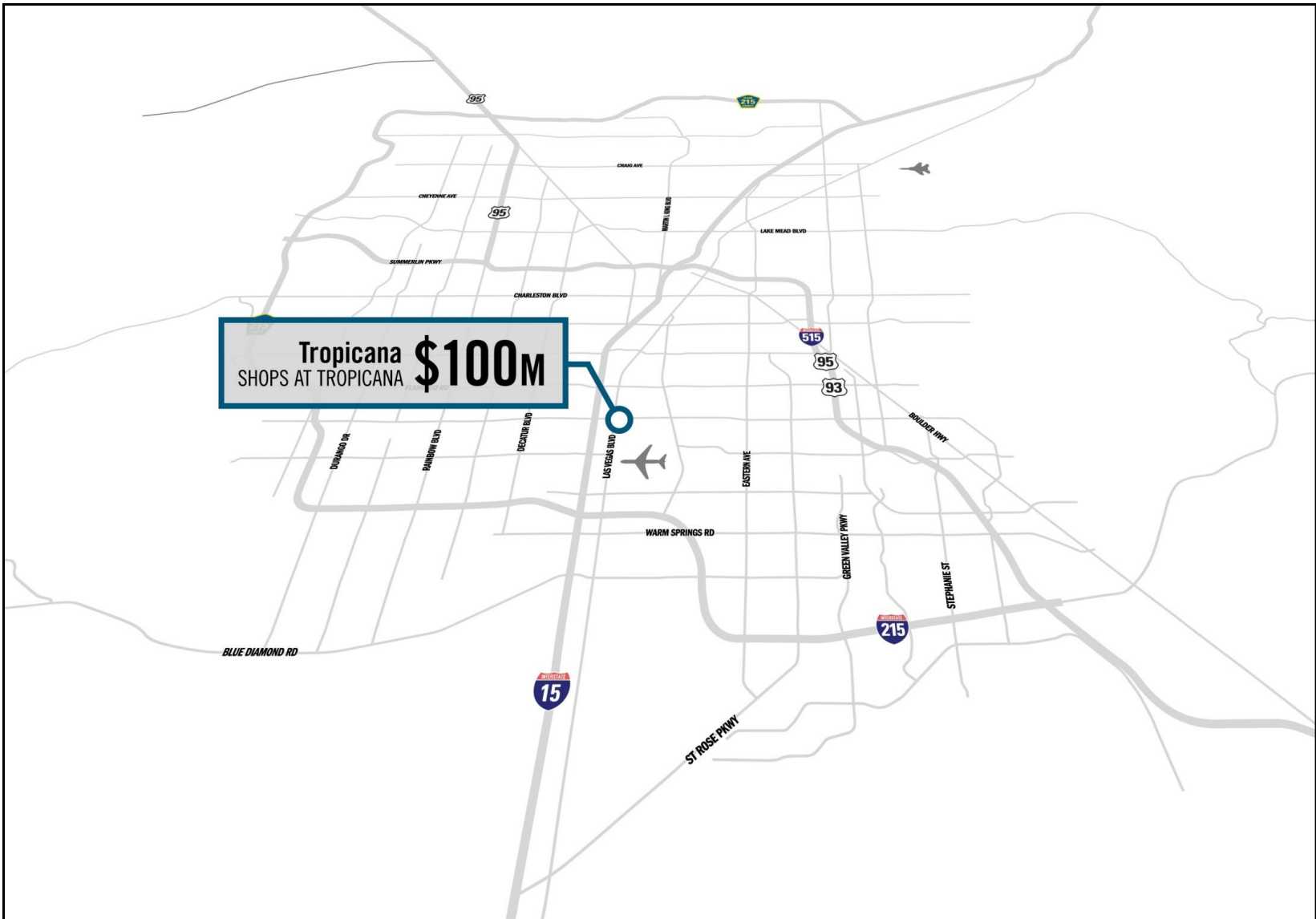
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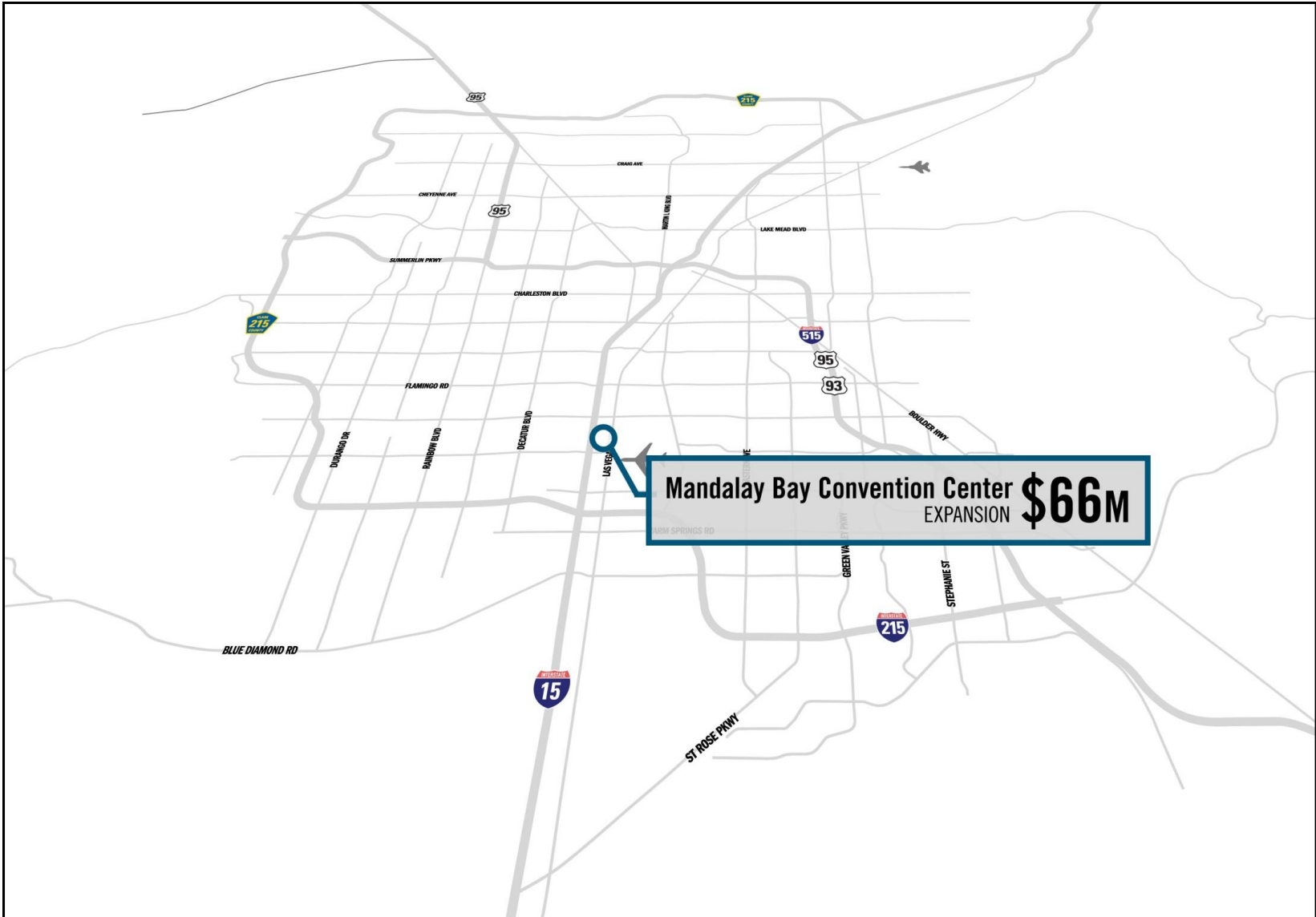
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Mandalay Bay Convention Center
 EXPANSION **\$66M**



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WATER AVAILABILITY



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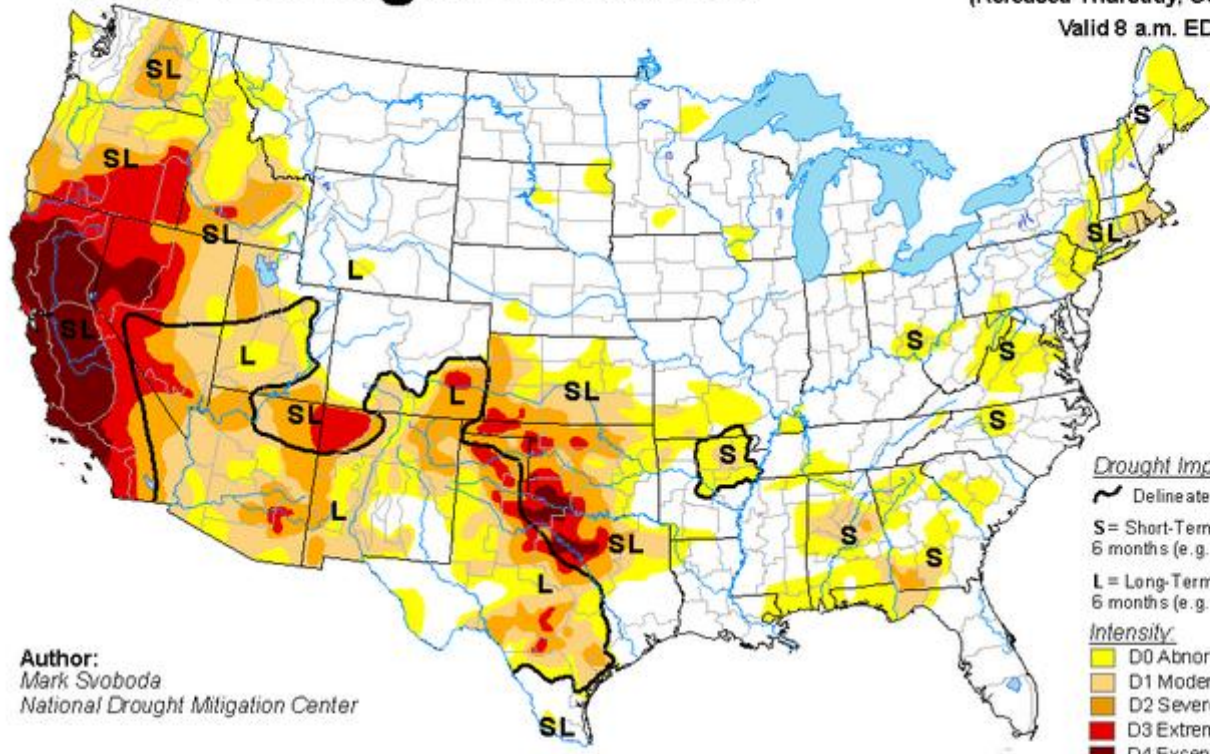


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U.S. Drought Monitor

October 7, 2014
 (Released Thursday, Oct. 9, 2014)
 Valid 8 a.m. EDT



Author:
 Mark Svoboda
 National Drought Mitigation Center

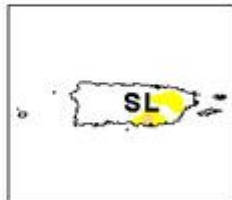
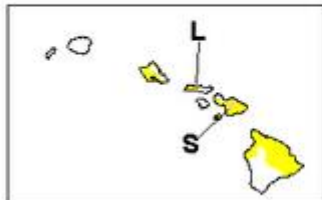
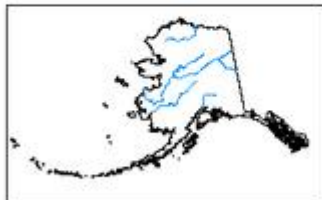
Drought Impact Types:

- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- Yellow: D0 Abnormally Dry
- Orange: D1 Moderate Drought
- Red-Orange: D2 Severe Drought
- Red: D3 Extreme Drought
- Dark Red: D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.



<http://droughtmonitor.unl.edu/>



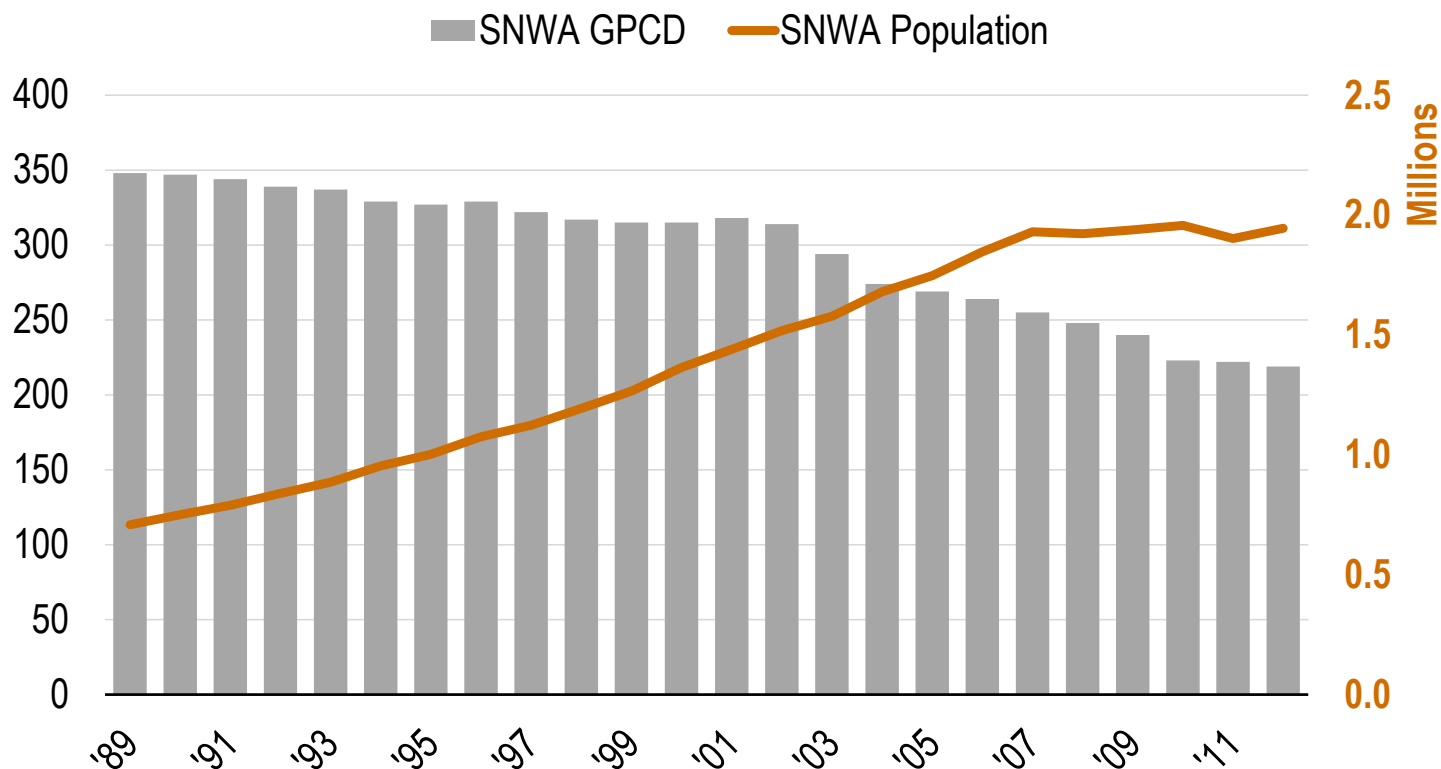
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Southern Nevada Water Authority - Water Use

(in Gallons Per Capita Per Day)



Note: Includes all SNWA water sources

Source: Southern Nevada Water Authority

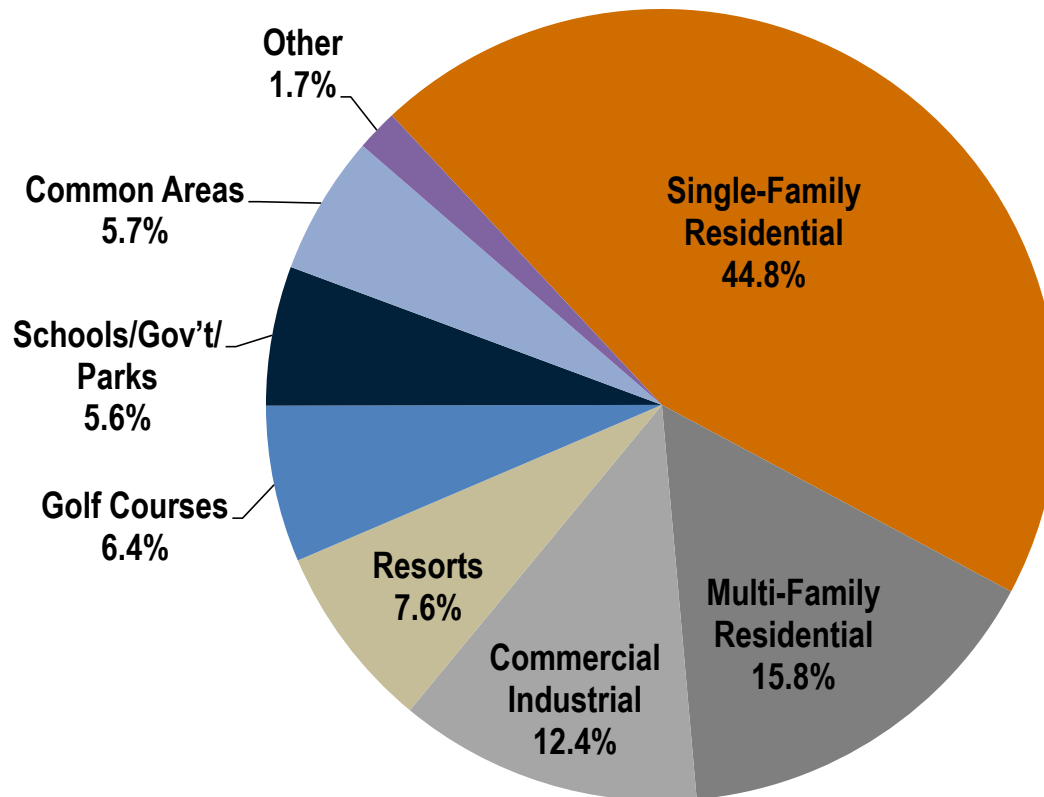


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Water Use in Southern Nevada



Source: Southern Nevada Water Authority



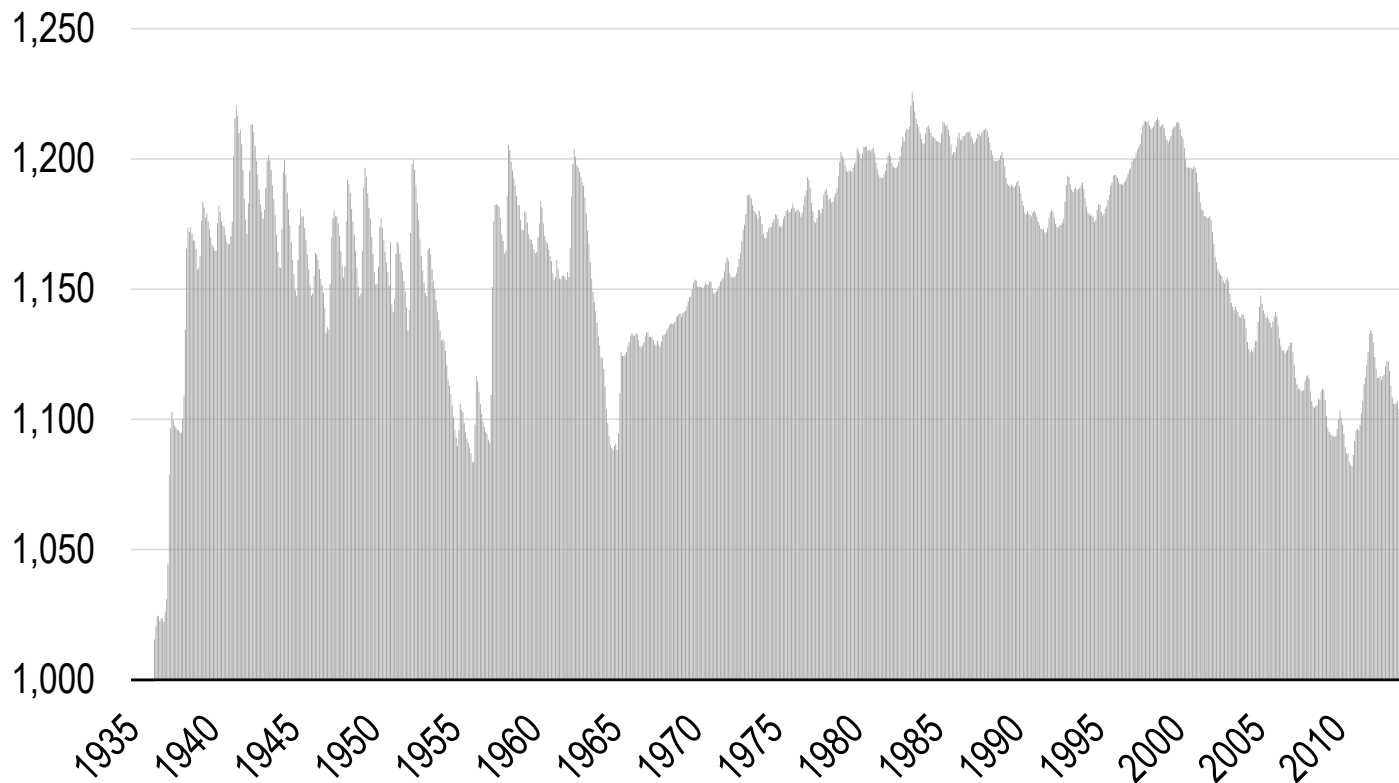
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Lake Mead Elevation (in Feet)

1935-2014



Source: United States Bureau of Reclamation

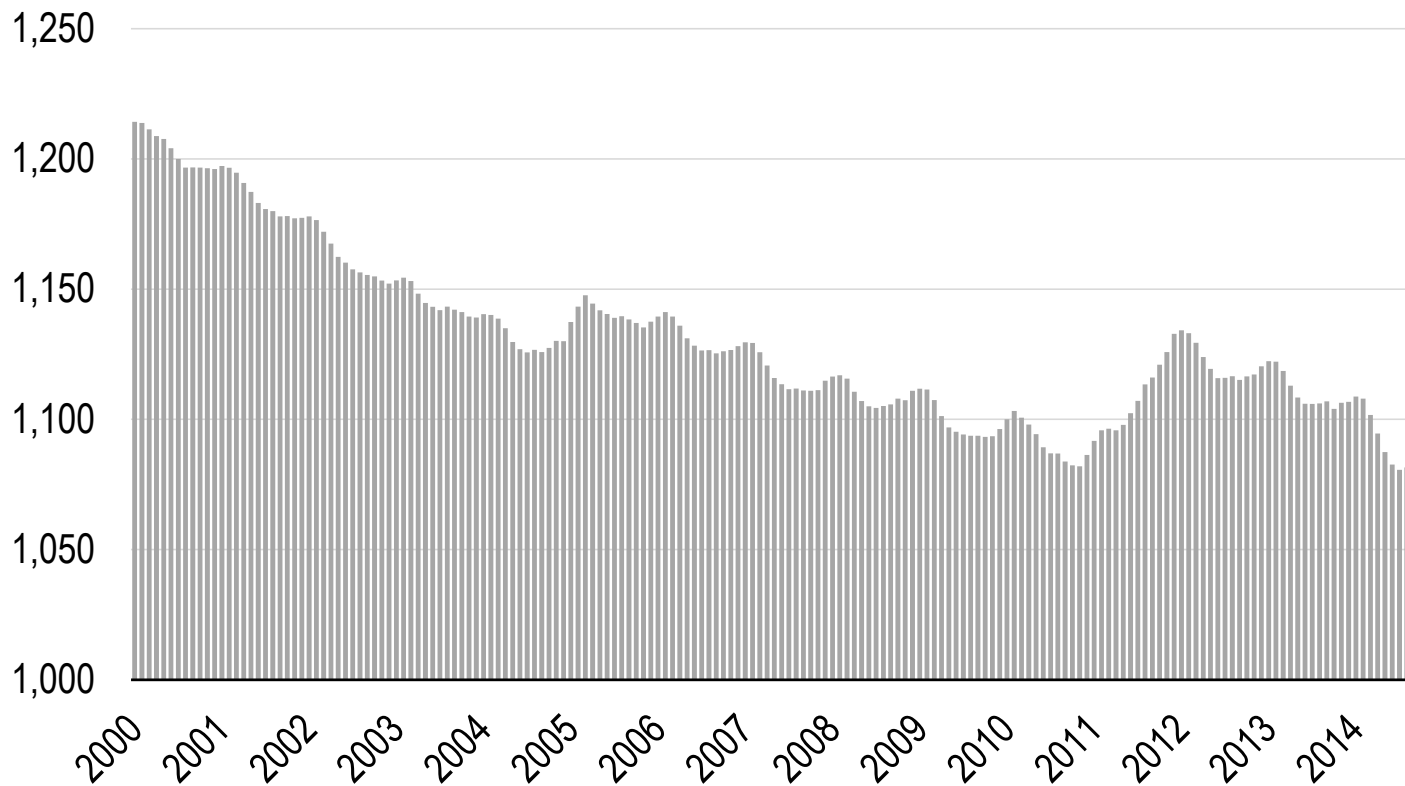


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Lake Mead Elevation (in Feet) 2000-2014



Source: United States Bureau of Reclamation



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MARGIN TAX



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How Would the Proposed Margin Tax Work?



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Key Features of The Tax

- **Rate**: Two percent (2%) on Taxable Margin (Single Rate)
- **Base**: Gross Revenue Less the Greater of:
 - A 30-Percent Standard Deduction;
 - Cost of Goods Sold; or
 - Cost of Labor (not greater than \$300,000 per employee)
- One-for-One Credit for Modified Business Tax Paid



How Much Will the Margin Tax Generate?



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**Effective Tax Rate
for IP1 is 2.5x
Higher than the
Rate Imposed
in Texas**



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Result

**Combined Business
Tax Liability** **\$950M - \$1.1B**
(annually)

**Net New Business
Tax Liability** **\$650M - \$750M**
(annually)



Share of market activity

Changes in the activity of the active and passive market is uncertain. Established positive trends in various market segments.

SALES B

SALES B

75%

25%

160
140
120

300
250
200
150
100
50
0

88
110
130
150
170
190
210
230
250
270

21
32
69

65 36 79 20 81 30 230 257

passive market share

Y JUN JUL AUG SEP NOV DEC JAN FEB MAR

PRO	QUA	BUY	BID	ASK
€ 104.00	339	JAN	€ 942.00	€ 348.00
€ 375.00	229	FEB	€ 687.00	€ 920.00
€ 930.00	269	MAR	€ 993.00	€ 604.00
€ 107.00	437	APR	€ 228.00	€ 202.00
€ 801.00	934	MAY	€ 468.00	€ 685.00
€ 691.00	933	JUN	€ 609.00	€ 963.00
€ 933.00	691	JUL	€ 617.00	€ 240.00
€ 934.00	801	AUG	€ 939.00	€ 858.00
€ 337.00	107	SEP	€ 654.00	€ 248.00
	930	OCT	€ 911.00	€ 952.00
	871	NOV	€ 829.00	€ 715.00
	104	DEC	€ 748.00	€ 542.00

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