

PERSPECTIVE

2022



CHALLENGES & OPPORTUNITIES

SOUTHERN NEVADA ECONOMY



INFLATION

8.6%

Consumer Price Index

United States | All Items



Source: Bureau of Labor Statistics



FOOD &
BEVERAGE



HOUSING



APPAREL



EDUCATION &
COMMUNICATION



MEDICAL CARE



RECREATION



TRANSPORTATION



OTHER GOODS
& SERVICES

+9.7%

FOOD &
BEVERAGE

+6.9%

HOUSING

+5.0%

APPAREL

+0.8%

EDUCATION &
COMMUNICATION

+3.7%

MEDICAL CARE

+4.5%

RECREATION

+19.3%

TRANSPORTATION

+6.3%

OTHER GOODS
& SERVICES

Source: Bureau of Labor Statistics



FEDERAL
STIMULUS



OIL
PRICES

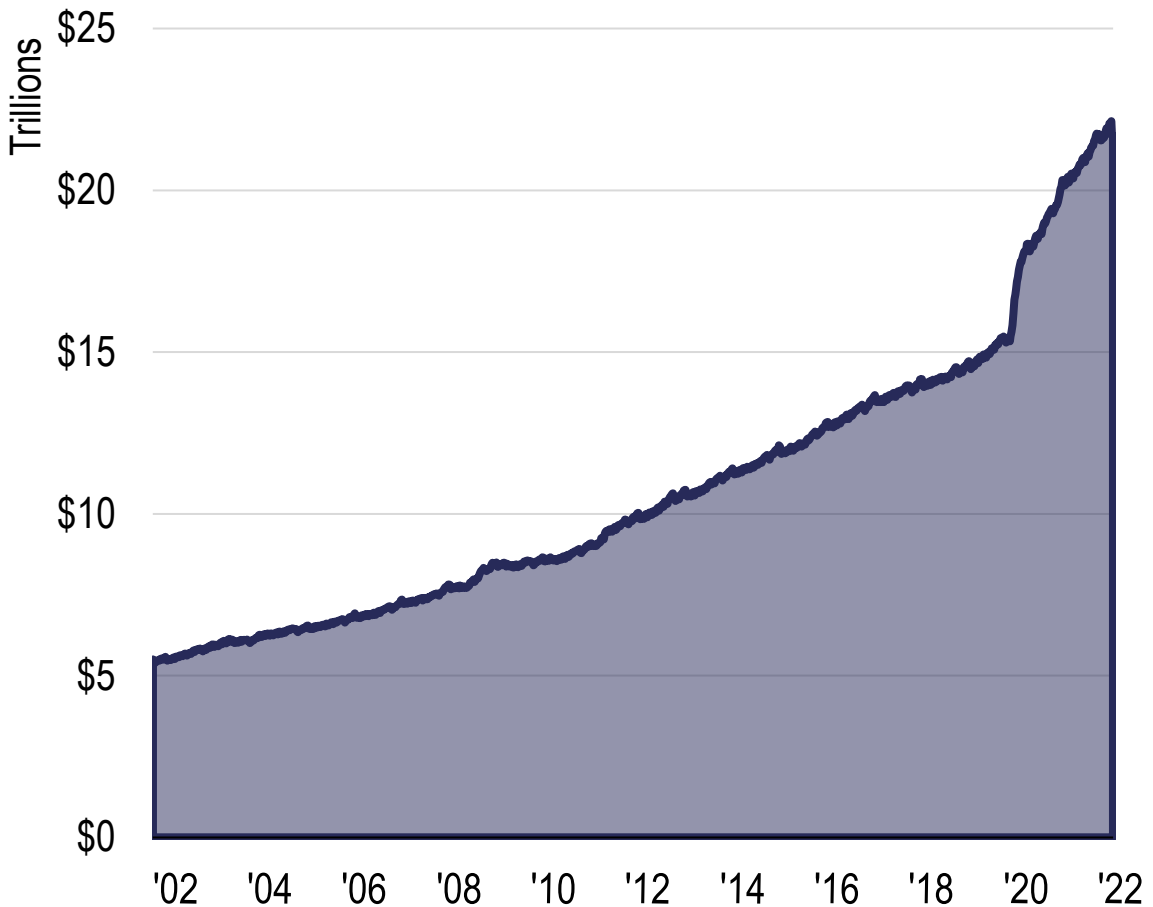


SUPPLY
BOTTLENECKS

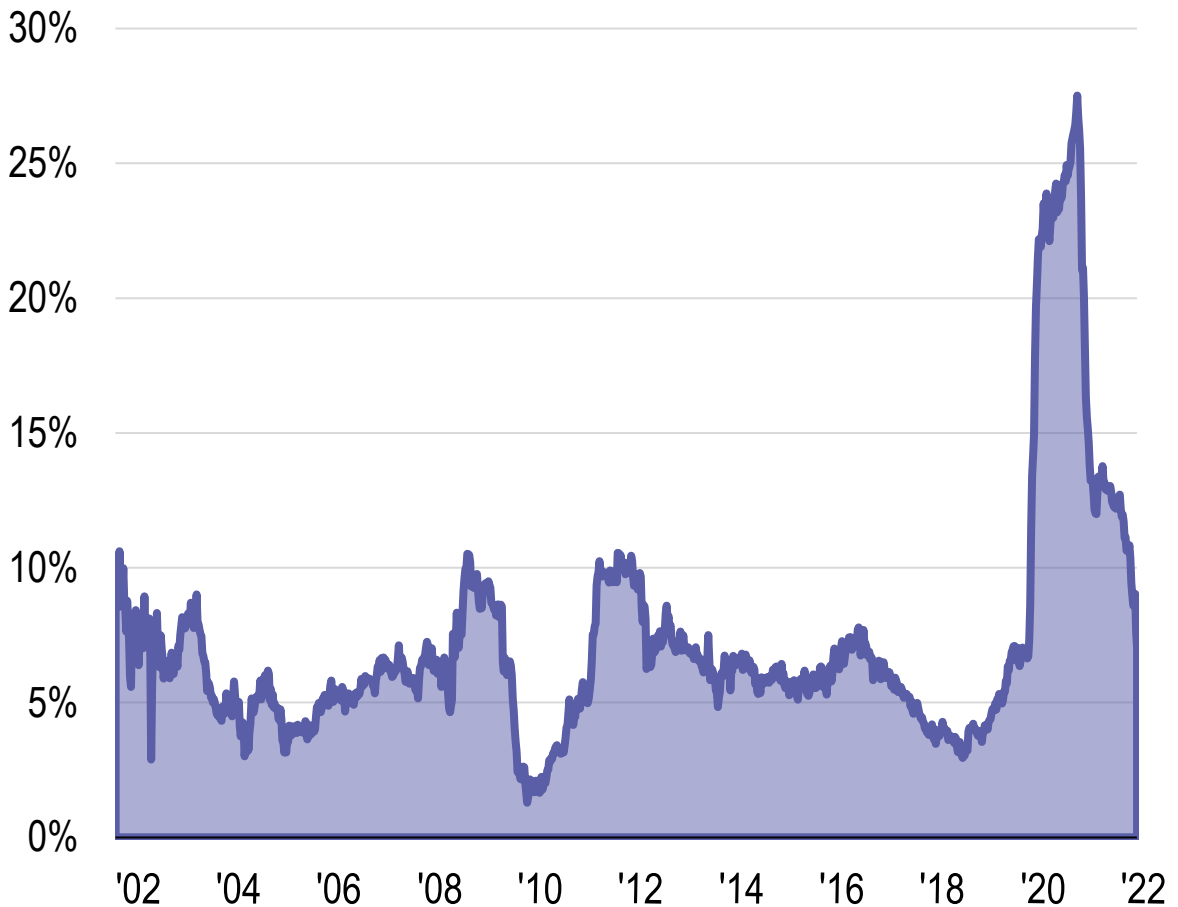
Money Supply

United States | Weekly

Historical Trend



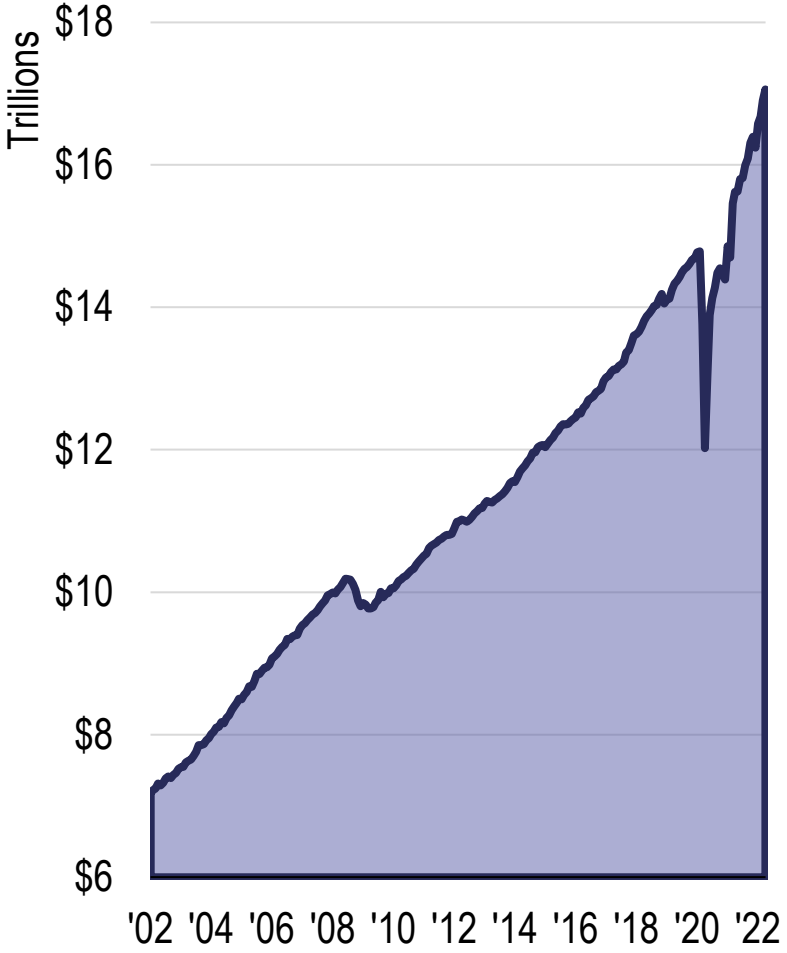
Year-Over-Year Growth



Source: Federal Reserve Bank of St. Louis

Consumer Behavior Trends

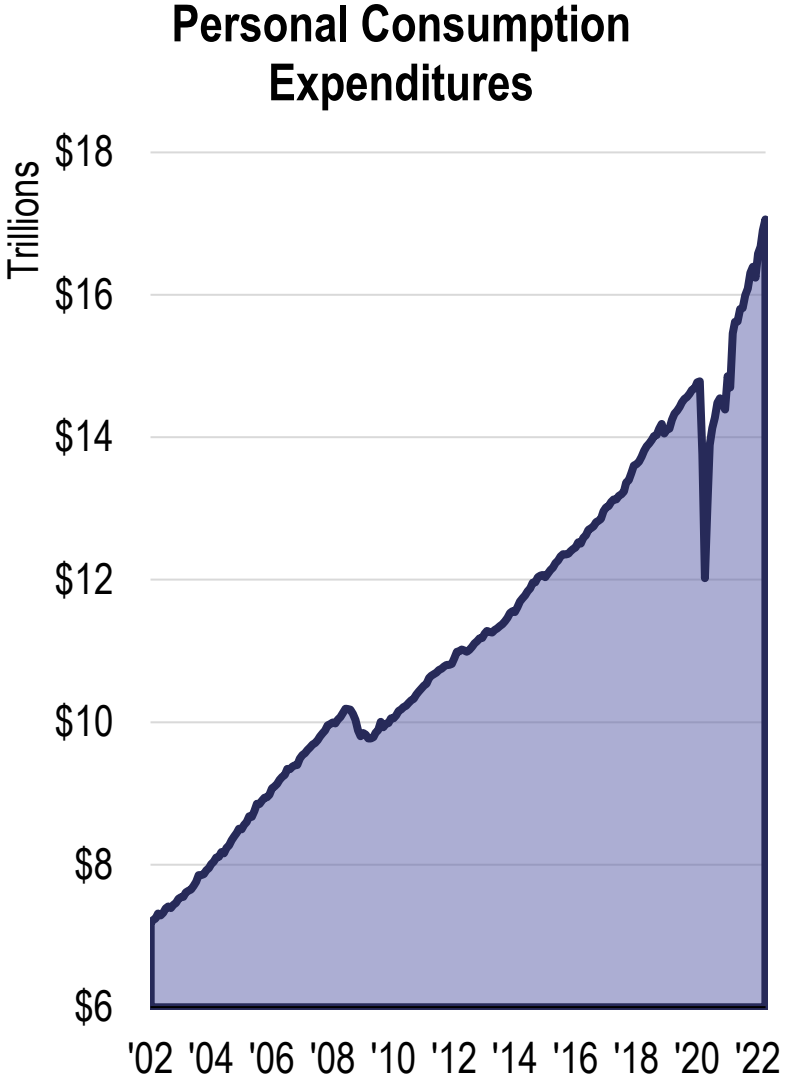
Personal Consumption Expenditures



Source: U.S. Bureau of Economic Analysis and Board of Governors of the Federal Reserve System



Consumer Behavior Trends

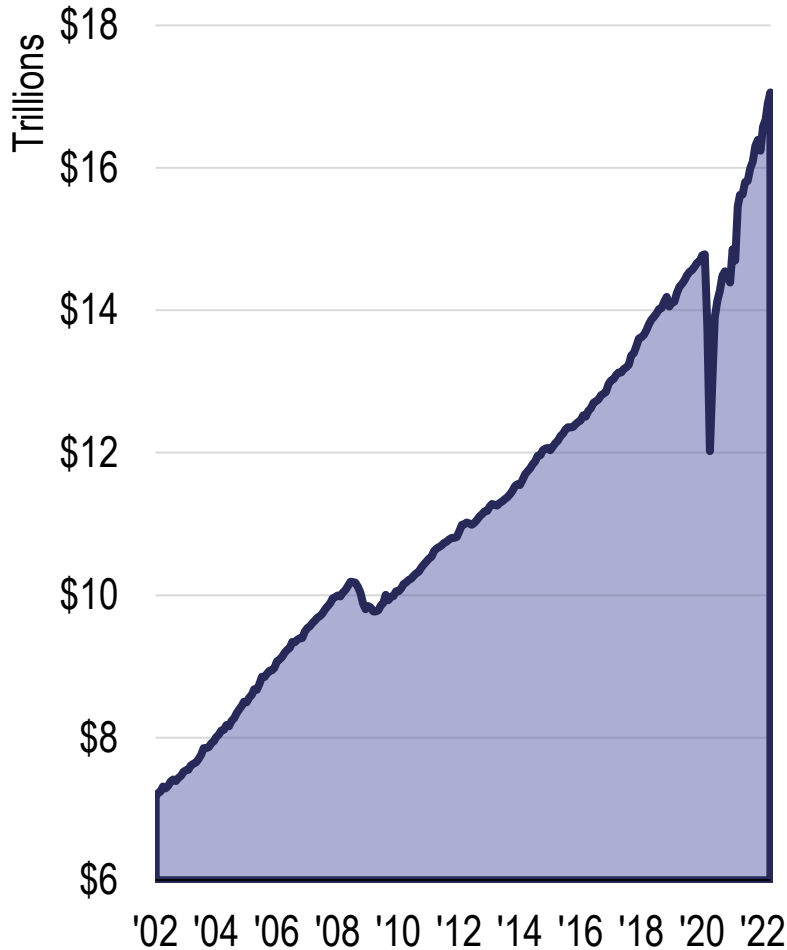


Source: U.S. Bureau of Economic Analysis and Board of Governors of the Federal Reserve System

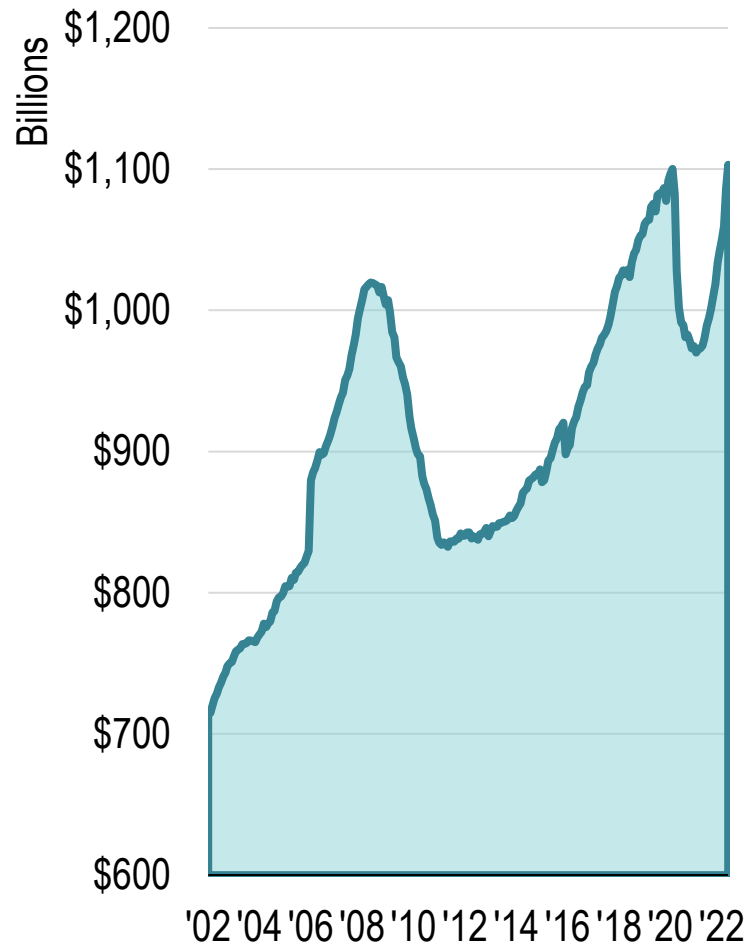


Consumer Behavior Trends

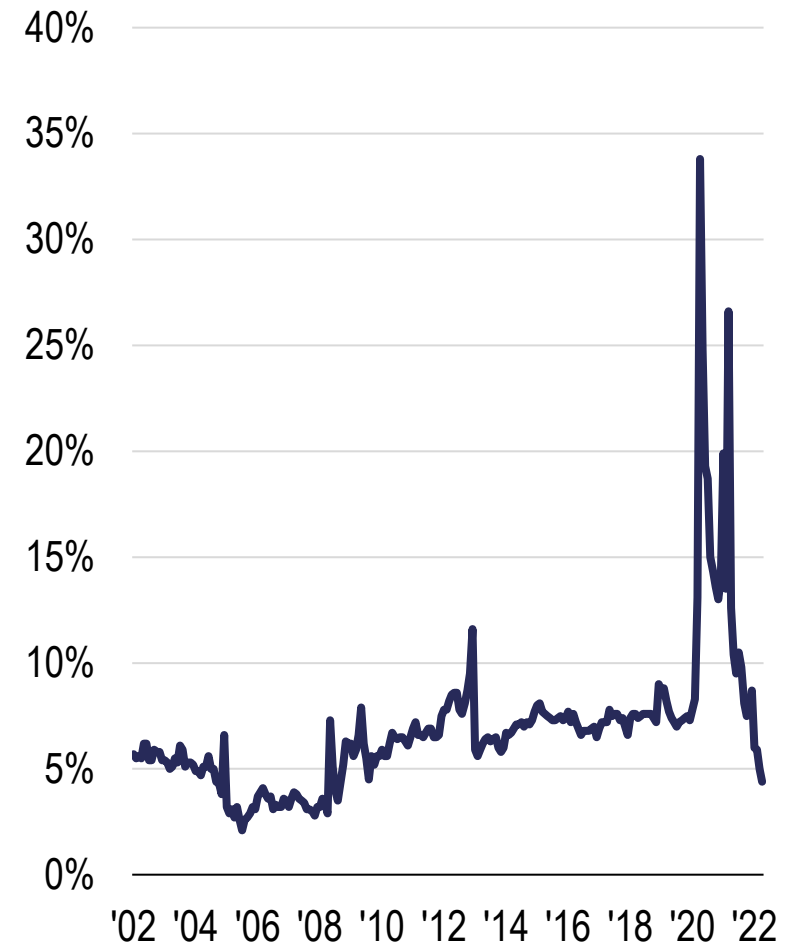
Personal Consumption Expenditures



Consumer Credit



Personal Saving Rate



Source: U.S. Bureau of Economic Analysis and Board of Governors of the Federal Reserve System

Regular Gas Price

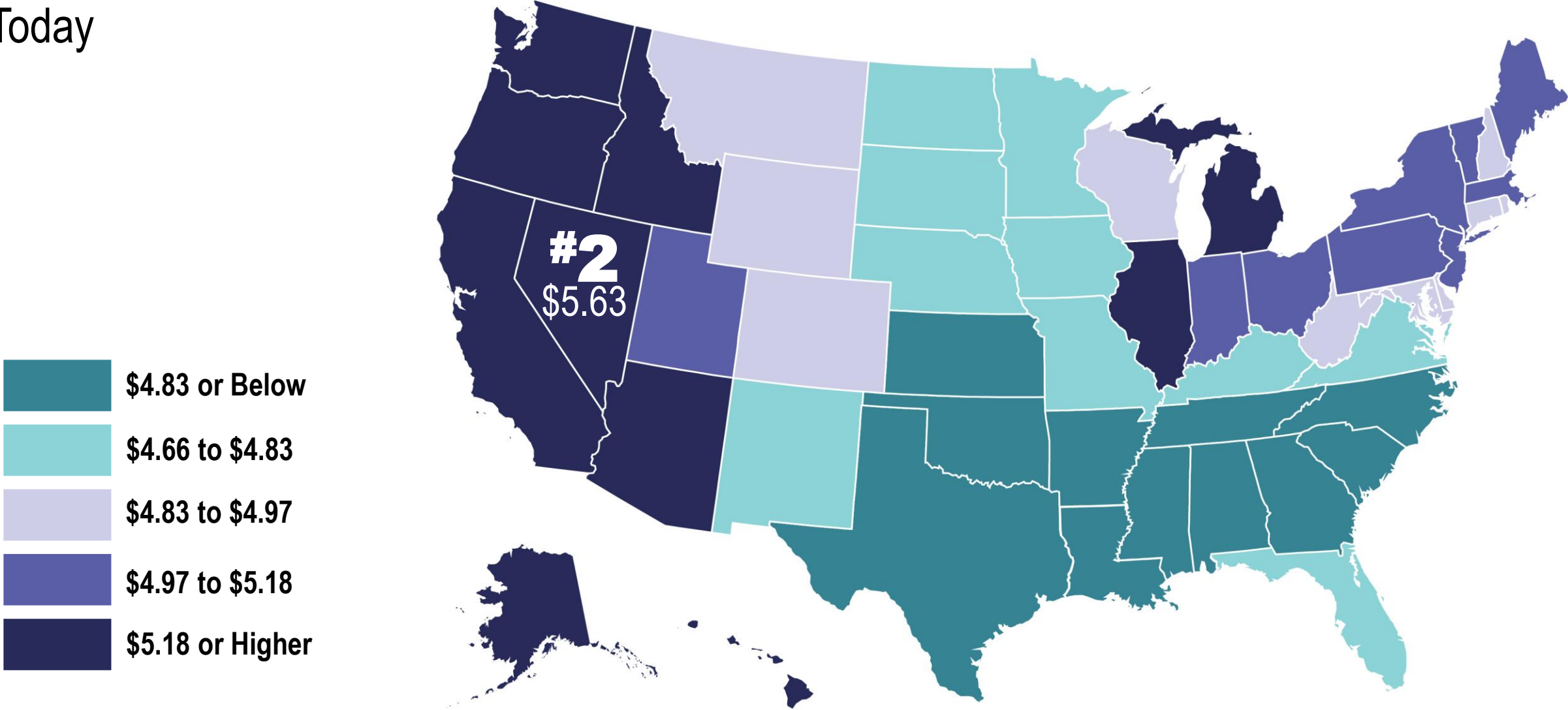
United States



Source: U.S. Energy Information Administration

Gas Prices by State

Today



Source: AAA

SUPPLY CHAIN SHORTAGES



Due to limited supplies, baby formula is limited to 4 per customer.
Thank you for your understanding, and we apologize for the inconvenience.
*VIC Vouchers for quantities greater than 4 will still be honored.

SUPPLY CHAIN SHORTAGES



JEROME POWELL
FEDERAL RESERVE CHAIR



Image Source: New York Magazine

WSJ
THE WALL STREET JOURNAL.

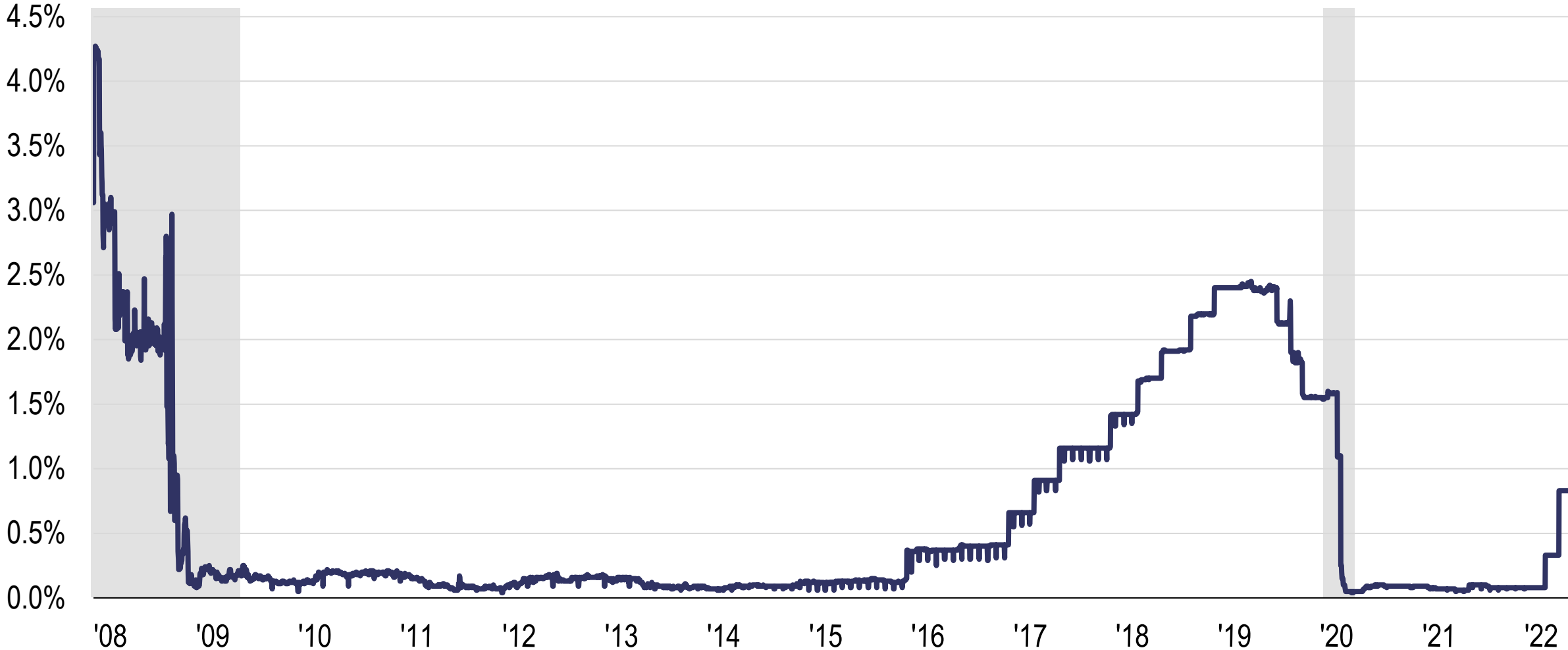
“

FED RAISES RATES BY 0.75
PERCENTAGE POINT, LARGEST
INCREASE SINCE 1994.

June 15, 2022 – The Wall Street Journal

Federal Funds Effective Rate

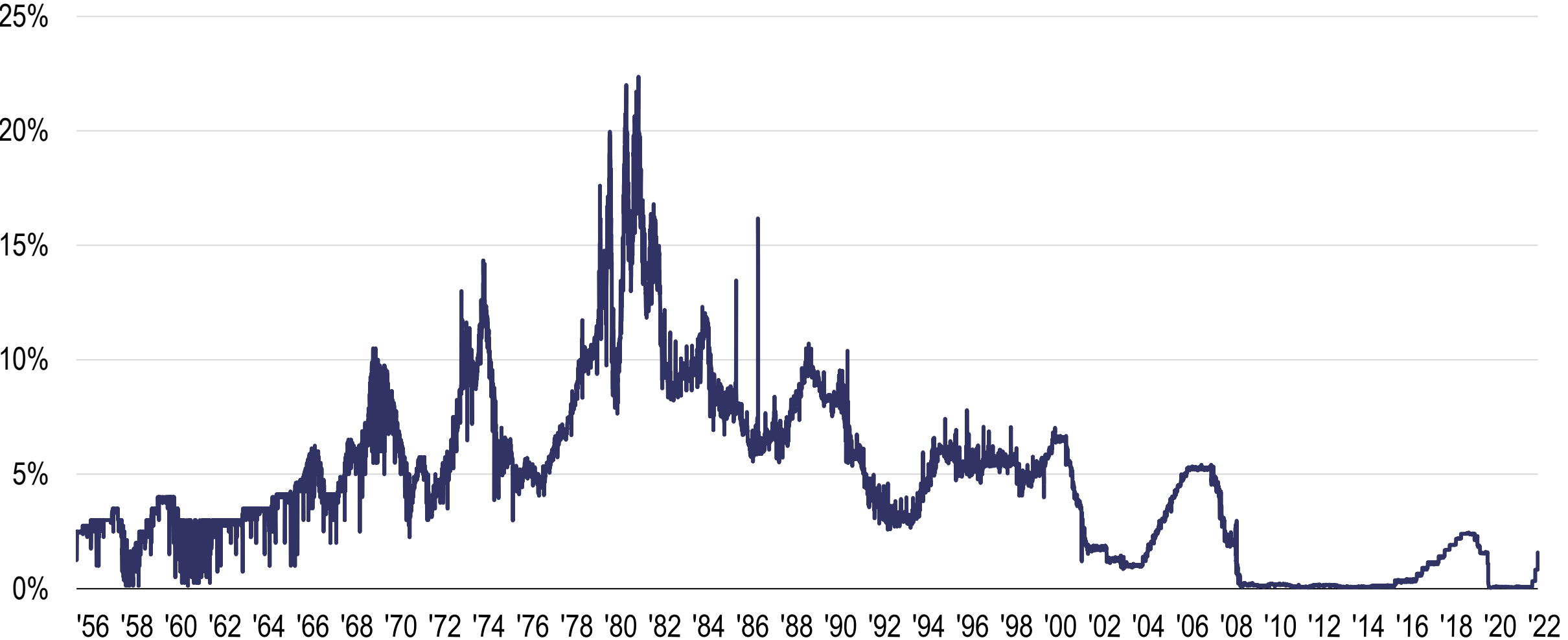
United States | Daily



Source: Board of Governors of the Federal Reserve System

Federal Funds Effective Rate

United States | Daily



Source: Board of Governors of the Federal Reserve System



INFLATION



INTEREST
RATES

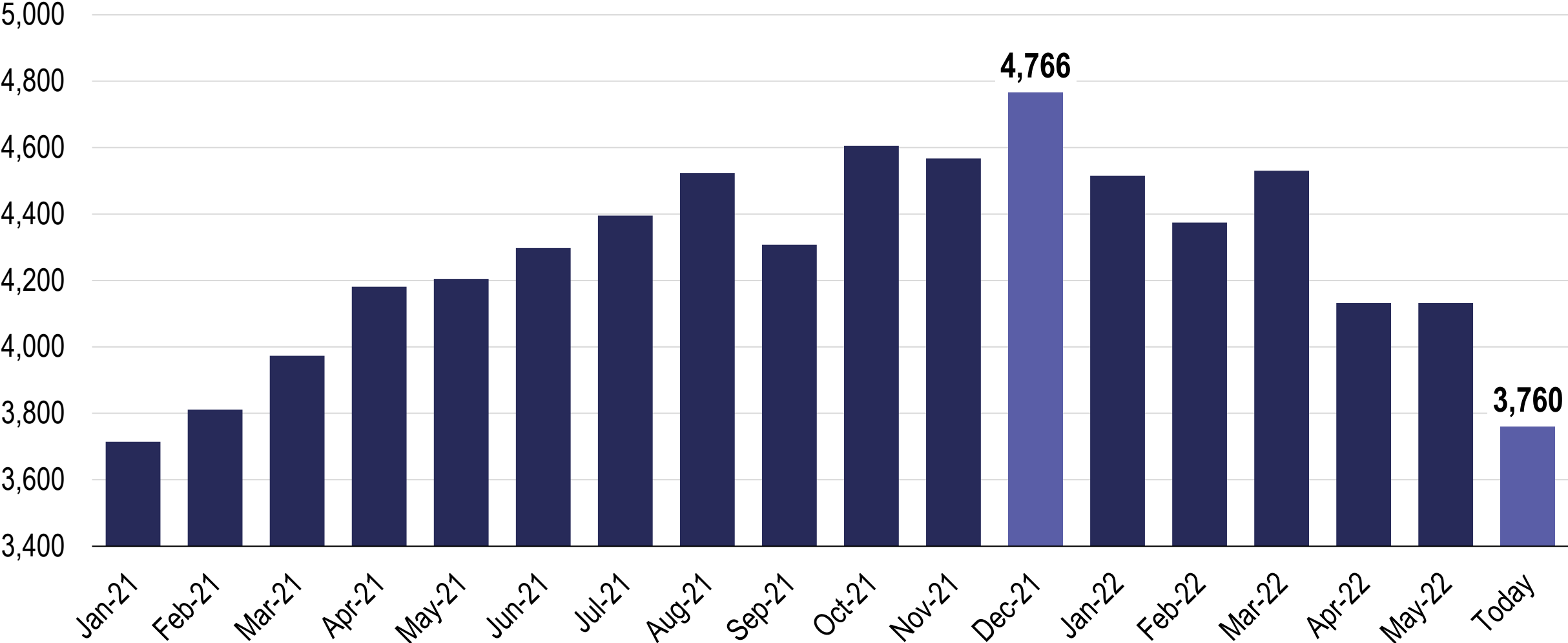


SUPPLY-DEMAND
IMBALANCE



S&P 500

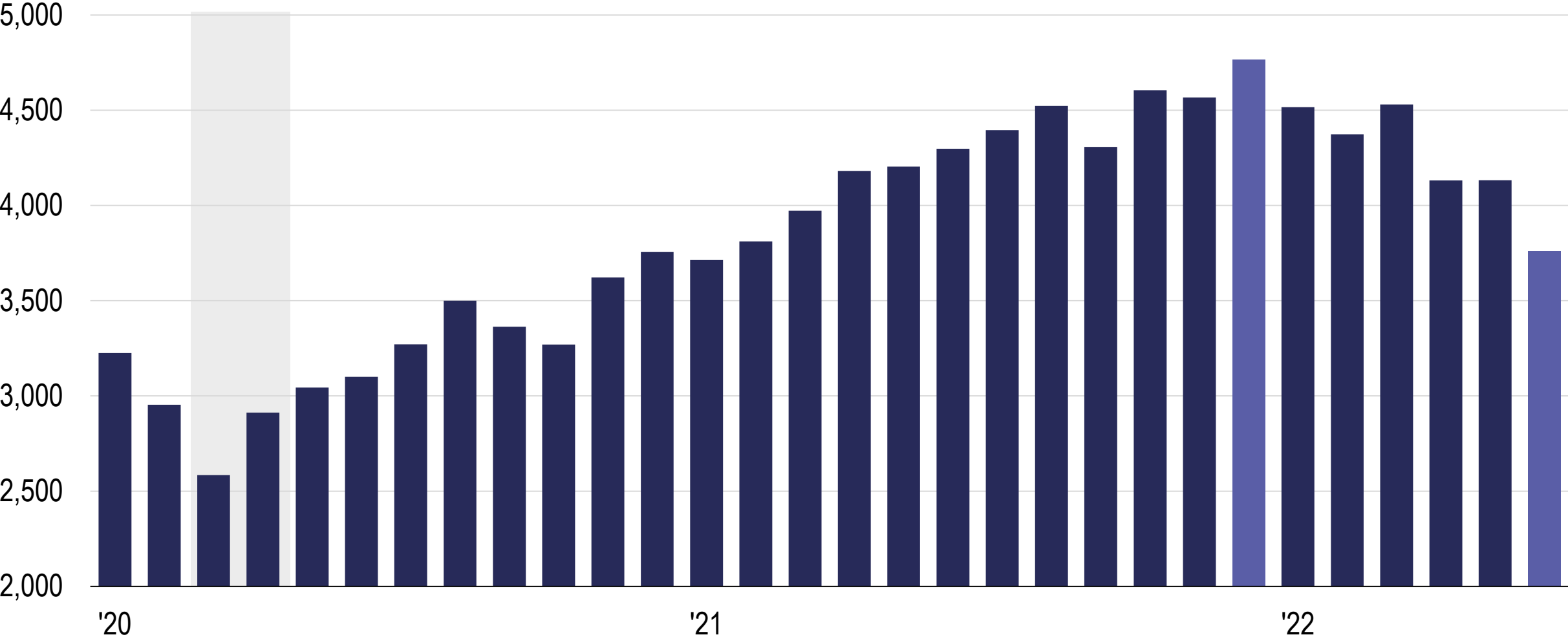
United States



Source: Yahoo Finance

S&P 500

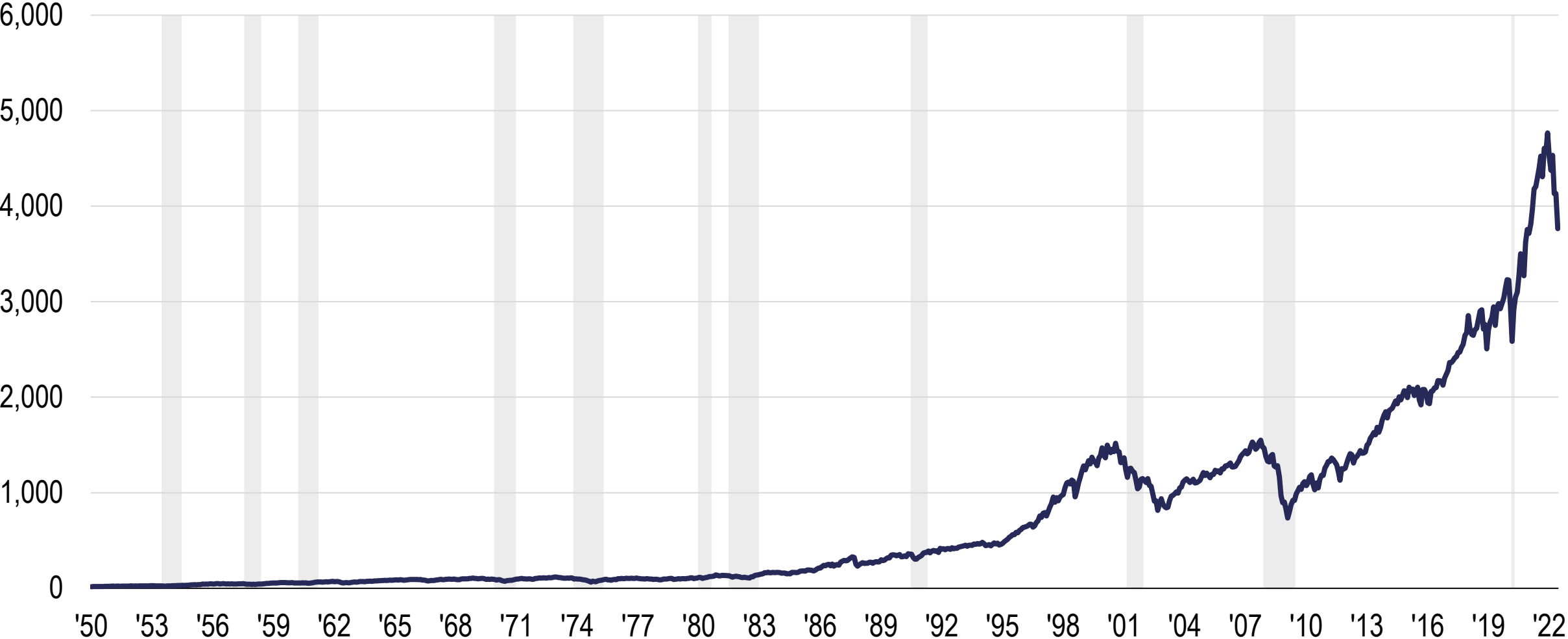
United States



Source: Yahoo Finance

S&P 500

United States

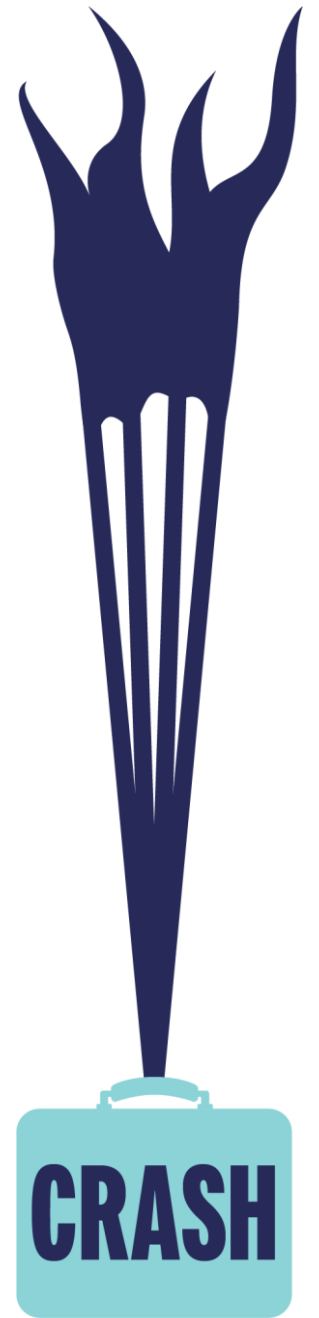
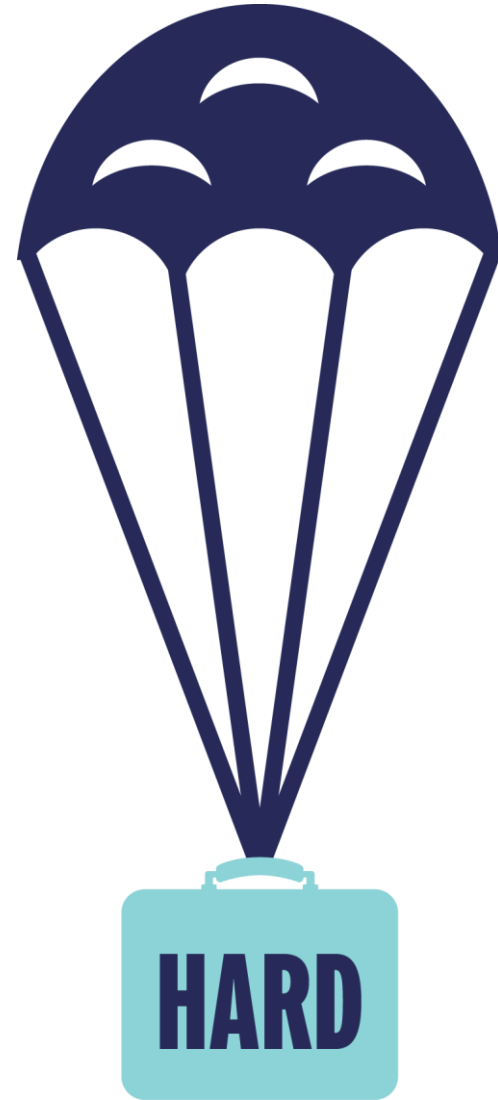


Source: Yahoo Finance



RECESSION

RECESSION SCENARIOS





THE CONFERENCE BOARD



MORE THAN 60% OF EXECUTIVES SEE A RECESSIONARY PERIOD IN THE NEXT 12 TO 18 MONTHS...AN ADDITIONAL 15% THINK THE REGION IS ALREADY IN A RECESSION.

June 17, 2022 – The Wall Street Journal

WSJ

THE WALL STREET JOURNAL.

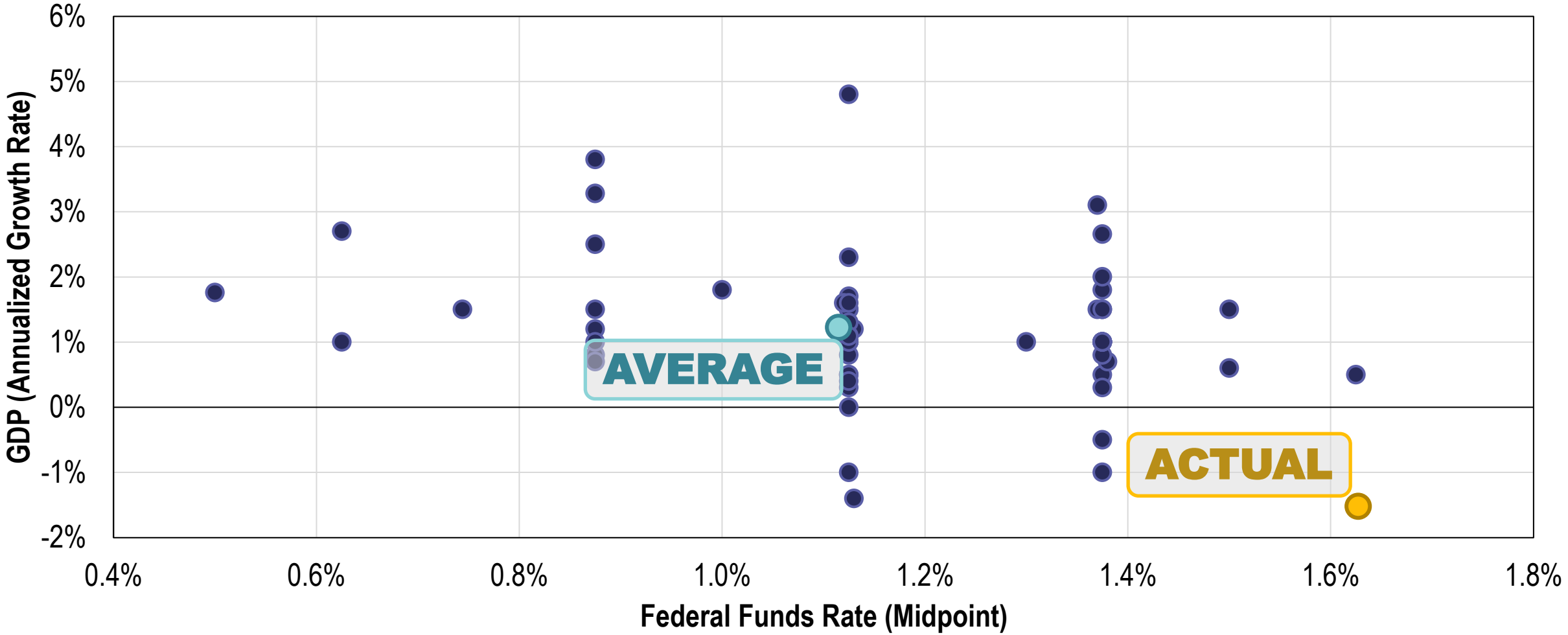


ECONOMISTS SEE INTEREST-RATE INCREASES RAISING THE LIKELIHOOD OF RECESSION TO 44% IN COMING 12 MONTHS.

June 19, 2022 – The Wall Street Journal

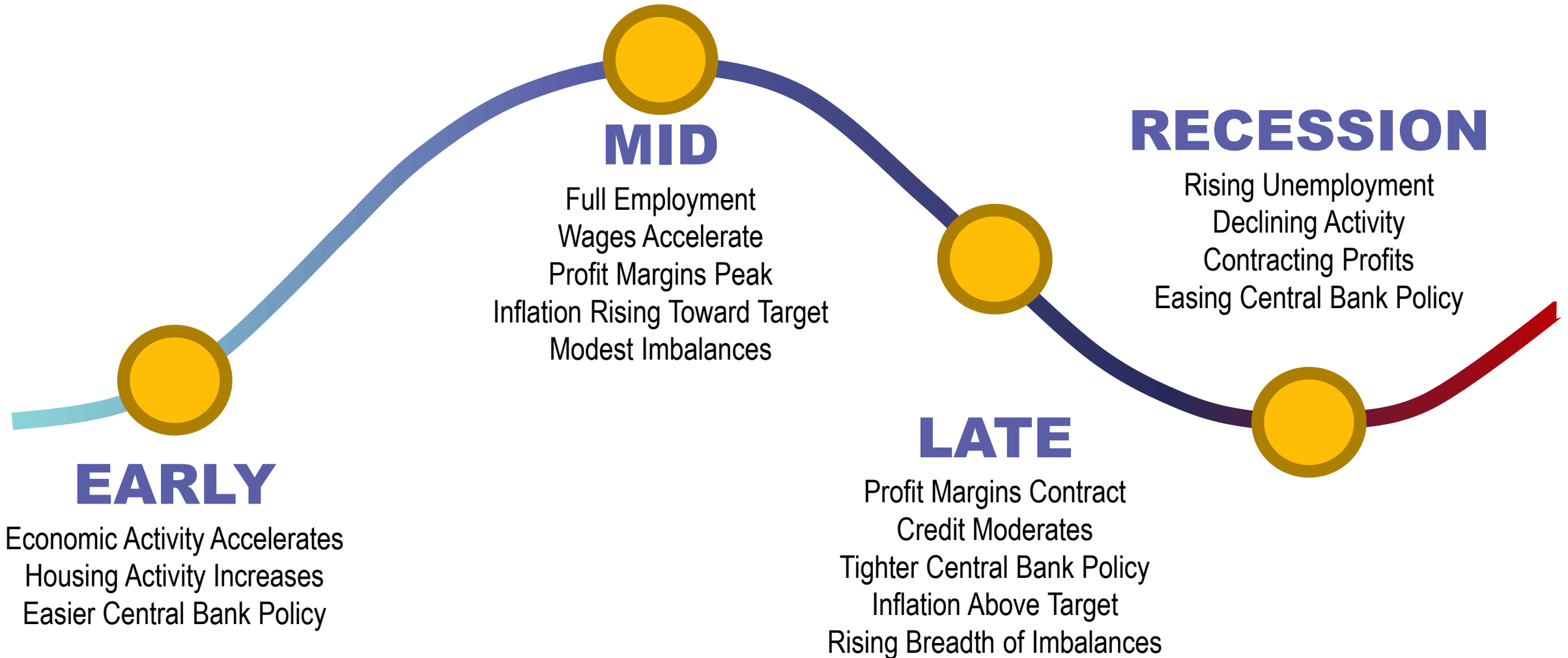
Economic Forecasting

Federal Funds Rate vs. GDP Growth



Source: The Wall Street Journal. Note: Federal Funds Rate is for June 30, 2022; GDP data is for the first quarter of 2022.

Economic Cycles



CHALLENGES & OPPORTUNITIES

1

TOURISM

2

HOUSING

3

LAND

4

WATER

5

TALENT

CHALLENGES & OPPORTUNITIES

1

TOURISM

2

HOUSING

3

LAND

4

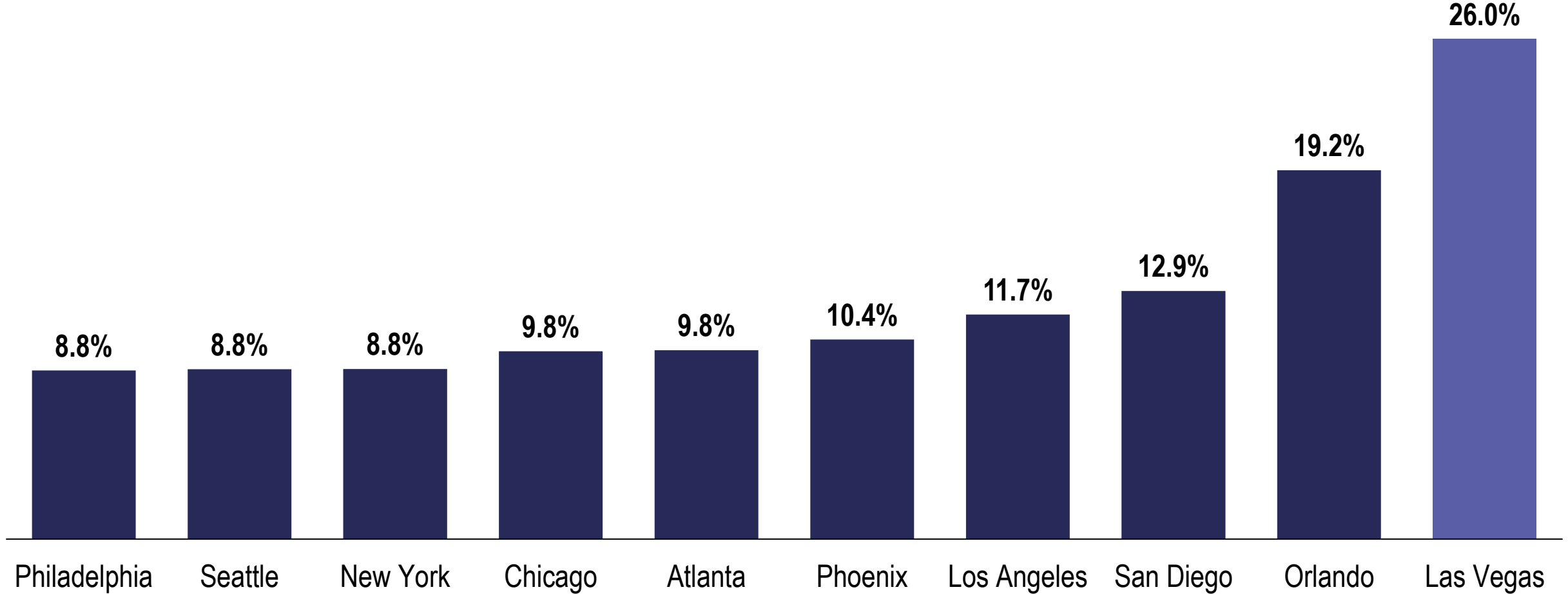
WATER

5

TALENT

Relative Dependence on Tourism

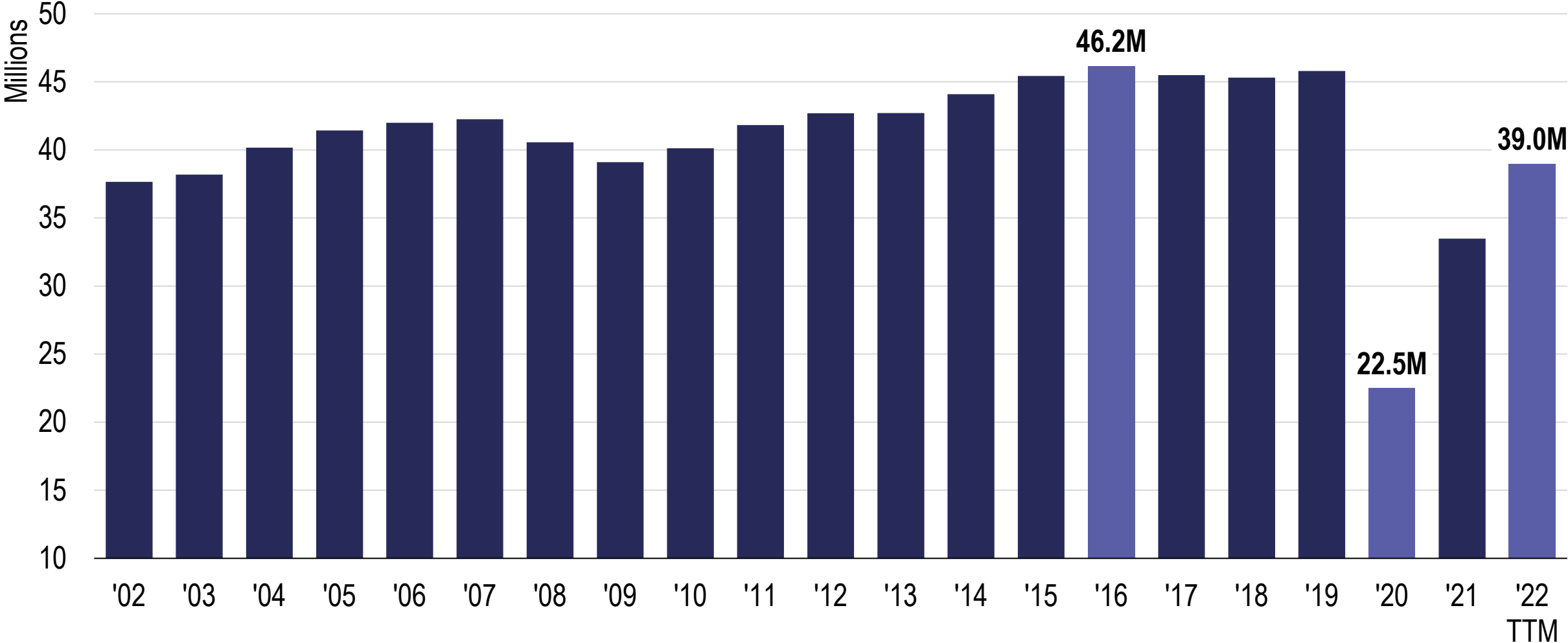
Leisure and Hospitality Employment Shares by Major Tourism Metro Areas



Source: Bureau of Labor Statistics. Note: Data is for the metro areas for May 2022.

Visitor Volume

Las Vegas Area



Source: Las Vegas Convention and Visitors Authority. Note: 2022 is for the trailing 12-months ending April.



16%



14%



70%

Source: LVCVA

Special Events, Sports & Entertainment

314.2 K

TOTAL SEATING CAPACITY (EXISTING AND UNDER CONSTRUCTION)



1 SPEEDWAY

123,000

SEATING CAPACITY



1 STADIUM

65,000

SEATING CAPACITY



1 BALLPARK

10,000

SEATING CAPACITY



11 ARENAS

106,900

SEATING CAPACITY



1 SOCCER STADIUM

9,300

SEATING CAPACITY

CHALLENGES

- RELIANCE ON TOURISM
- DEPENDENCE ON DISCRETIONARY SPENDING



OPPORTUNITIES

- DIVERSIFY WITHIN THE INDUSTRY
- LEVERAGE EXISTING ASSETS
- BUILD THE INFRASTRUCTURE

DIVERSIFY WITHIN THE INDUSTRY



LEVERAGE EXISTING ASSETS



Image Source: The Athletic

BUILD THE INFRASTRUCTURE



Image Source: The Street

BUILD THE INFRASTRUCTURE



BUILD THE INFRASTRUCTURE



Image Source: Newsweek

CHALLENGES & OPPORTUNITIES

1

TOURISM

2

HOUSING

3

LAND

4

WATER

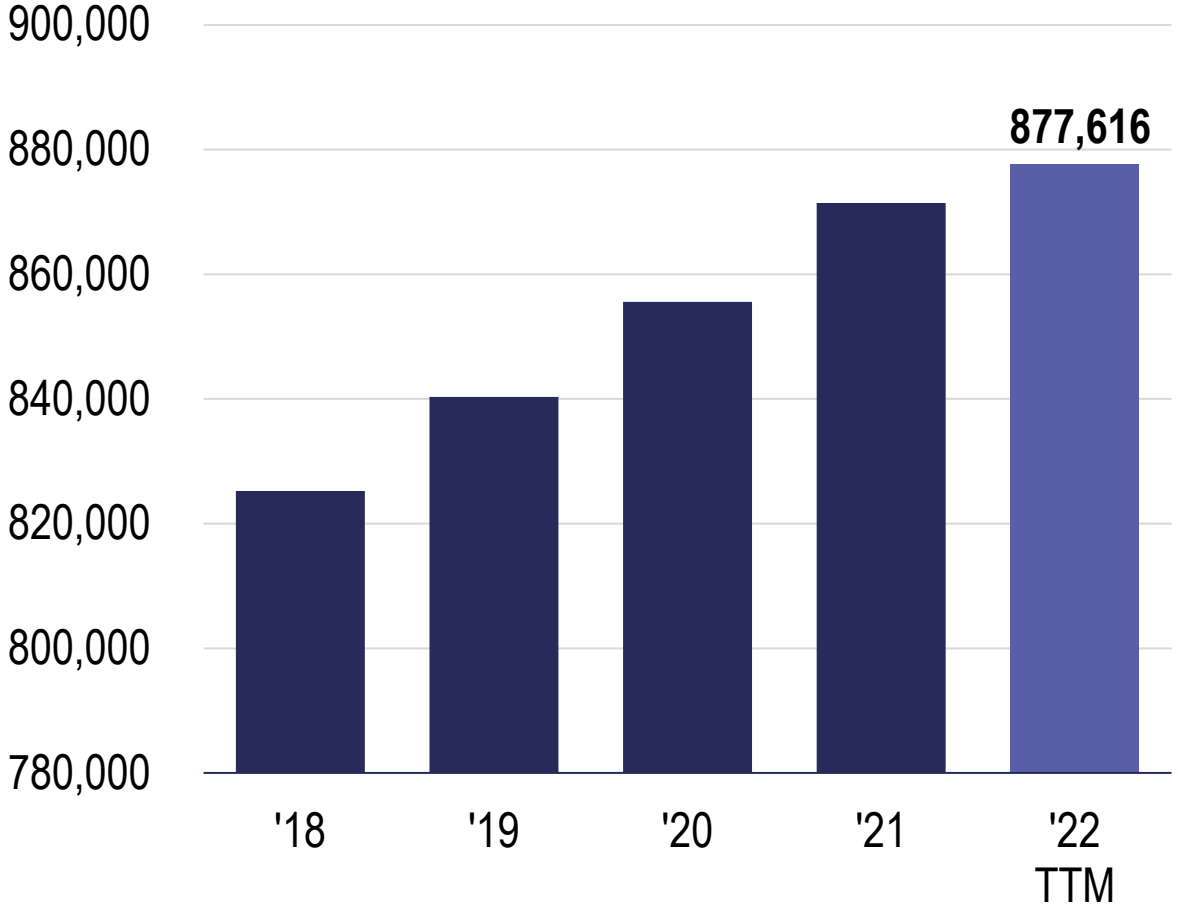
5

TALENT

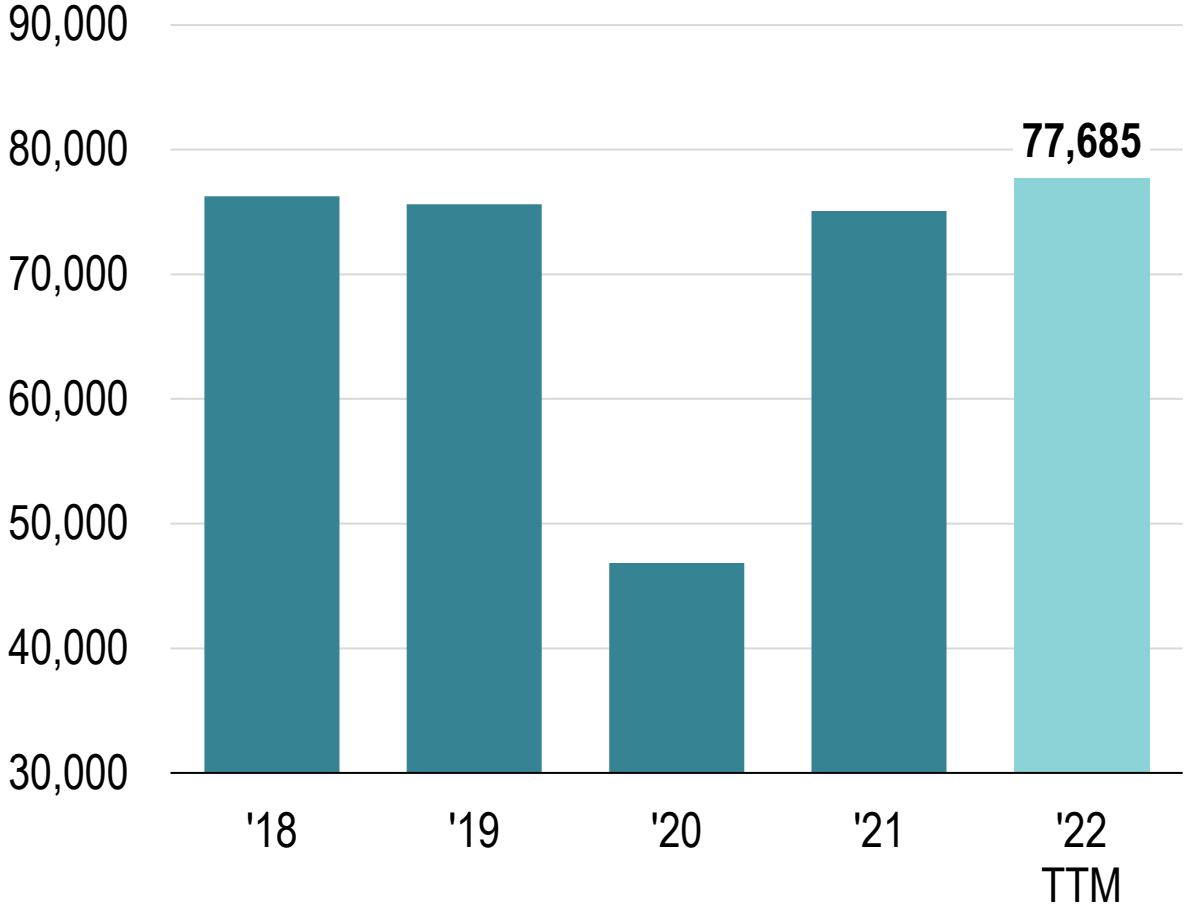
Population Growth Metrics

Southern Nevada

Electric Meter Connections



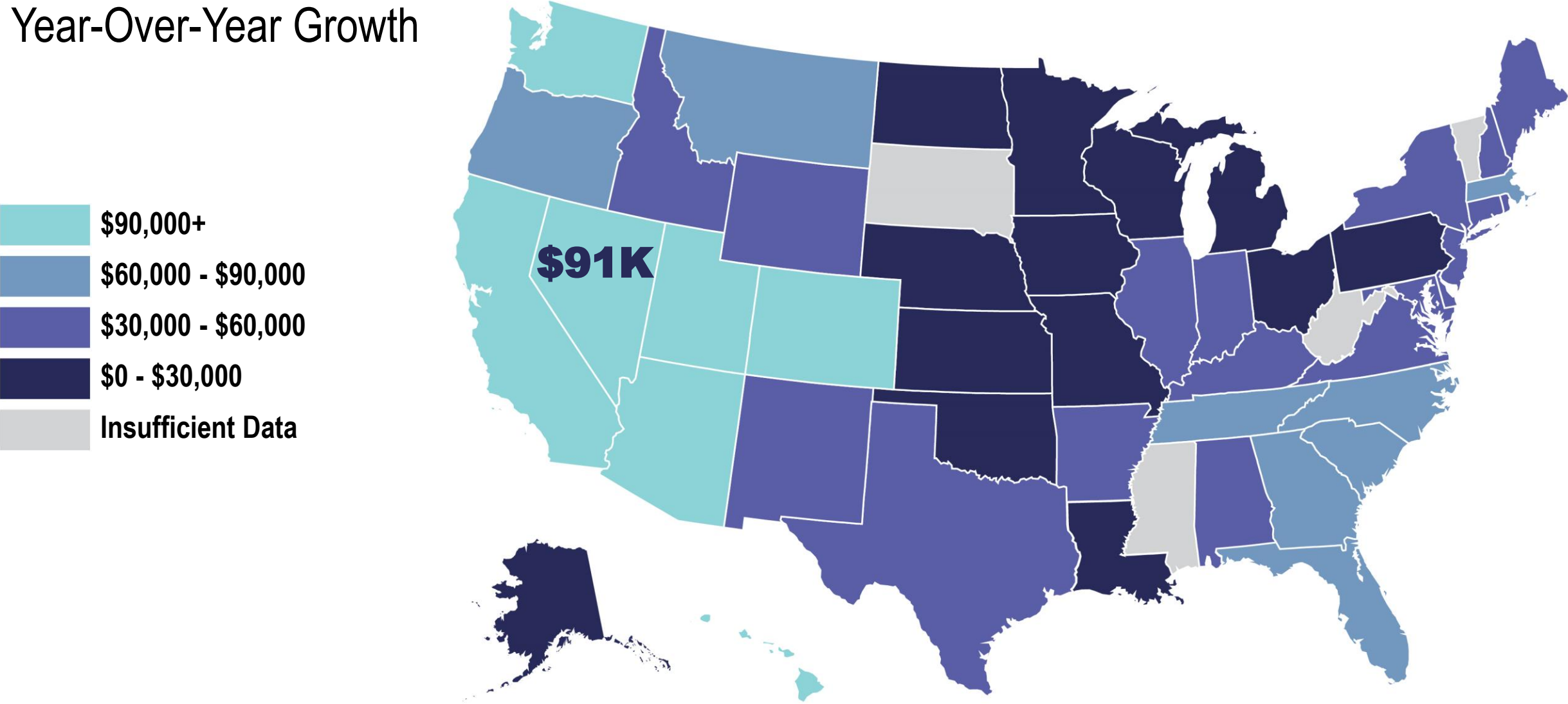
Drivers License Surrenders



Source: NV Energy and Nevada DMV.

Average Equity Gain

Year-Over-Year Growth



Source: CoreLogic. Note: Data is for the first quarter of 2022.



The New York Times

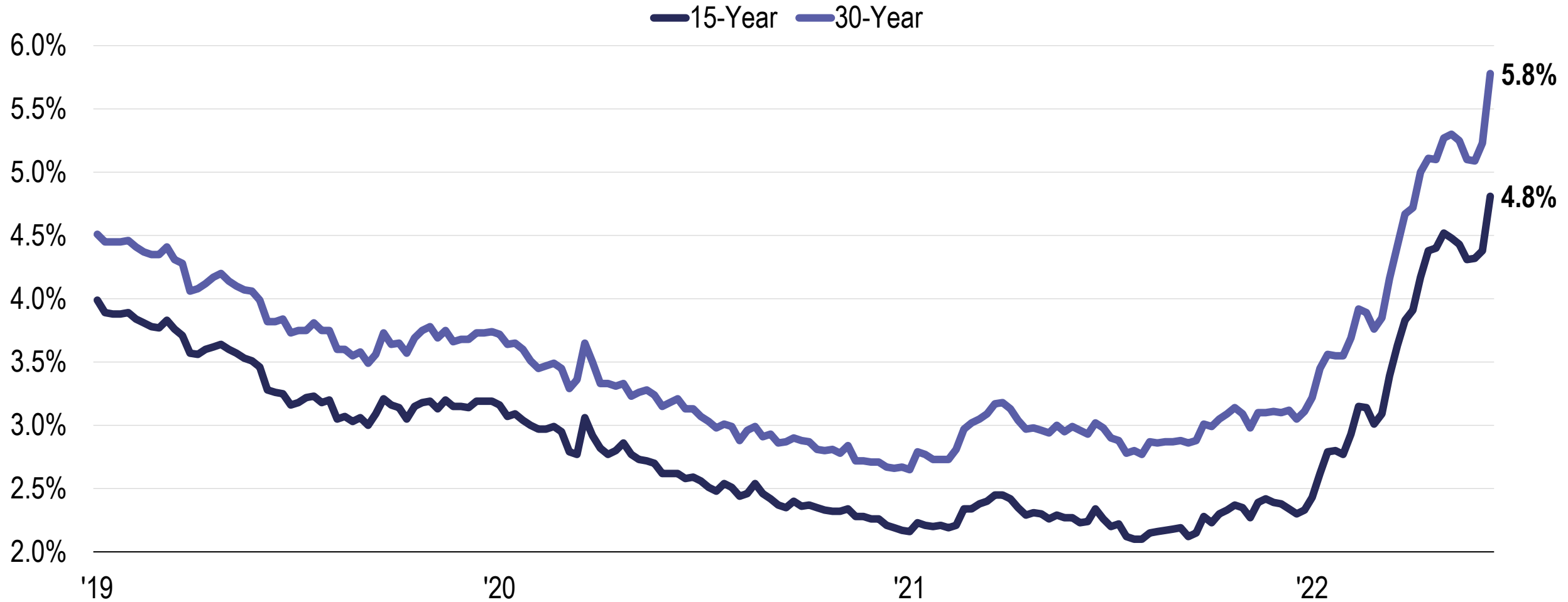


MORTGAGE RATES
JUMP TO 5.7%, RISING
AT THE FASTEST PACE
SINCE 1987.

June 16, 2022 – The New York Times

Mortgage Interest Rates

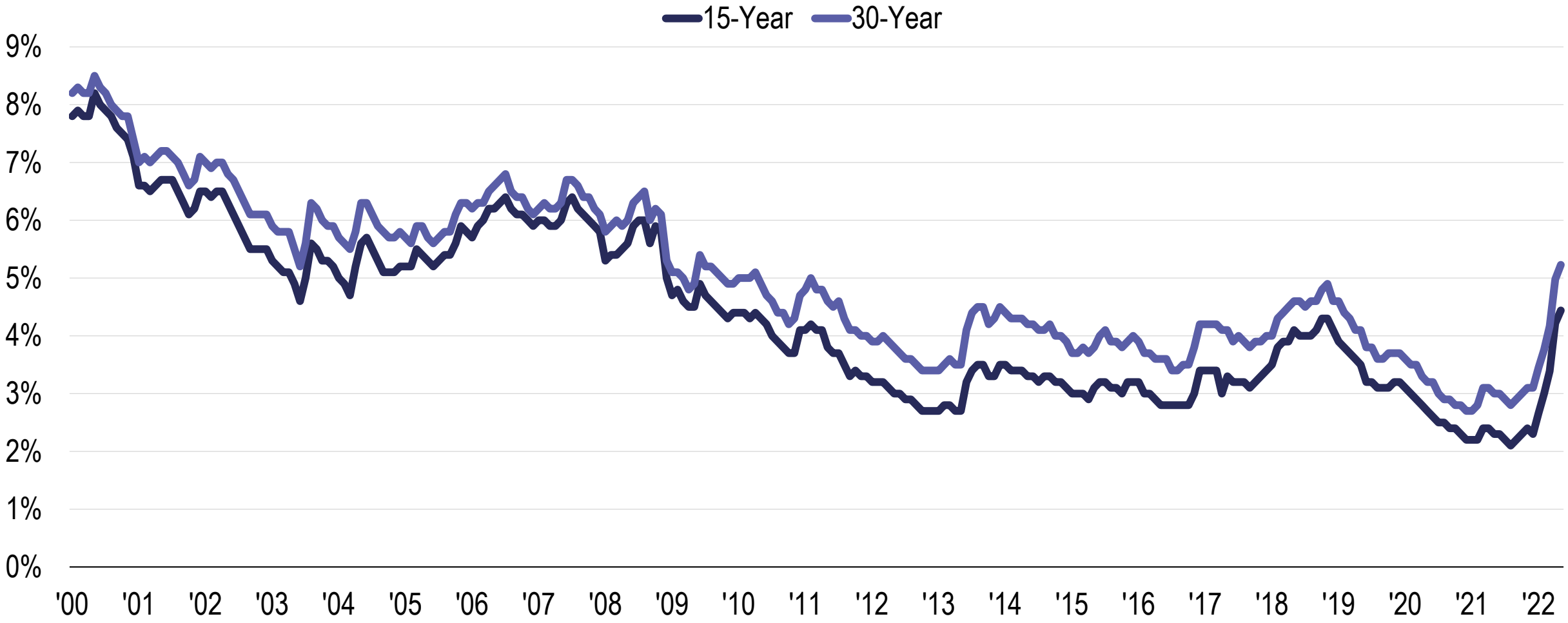
Fixed-Rate | Weekly



Source: Freddie Mac

Mortgage Interest Rates

Fixed-Rate | Monthly



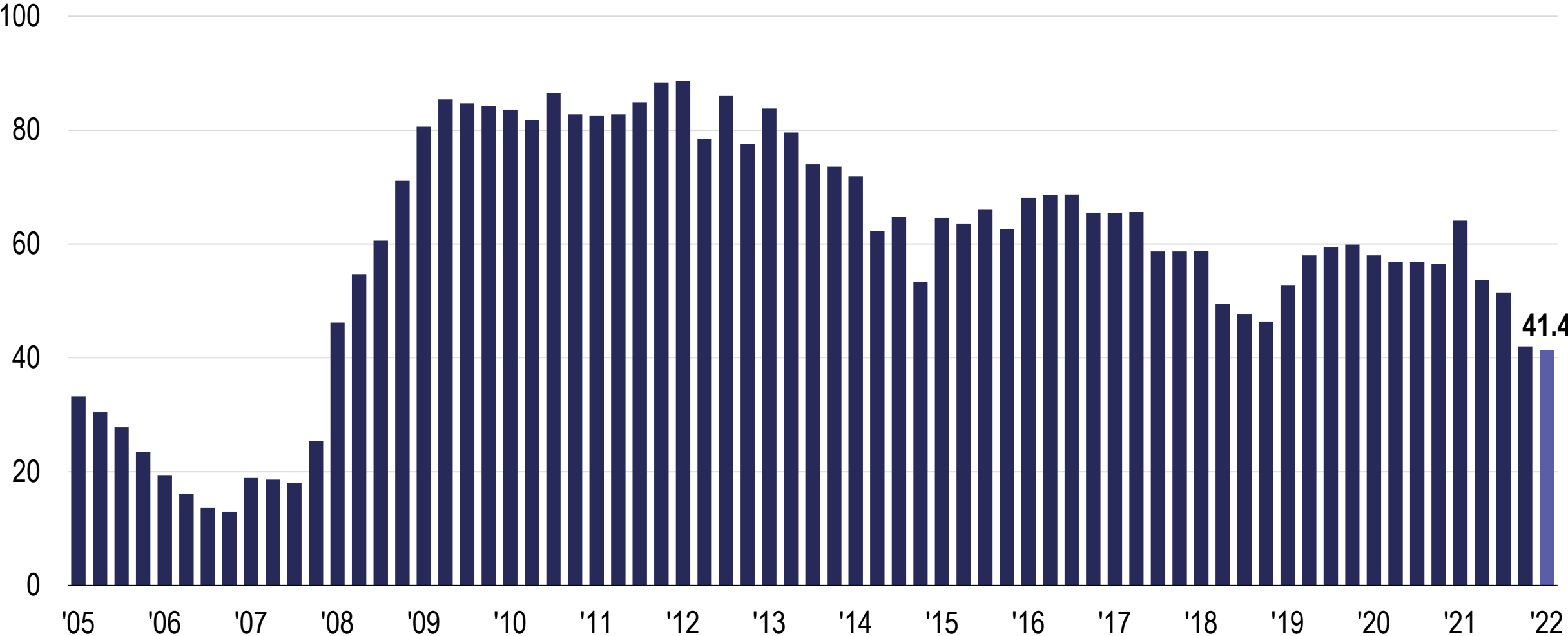
Source: Freddie Mac

Typical Homebuyer Situation

	LAST YEAR	TODAY
Loan Amount	\$400,000	\$400,000
Interest Rate	2.9%	5.8%
Monthly Payment	\$1,665	\$2,347
Monthly Additional Payments	-	+\$682
Annual Additional Payments	-	+\$8,184

Housing Opportunity Index

Las Vegas MSA



Source: National Association of Homebuilders

MEDIAN AGE OF HOME BUYERS



33

FIRST-TIME
HOME BUYERS



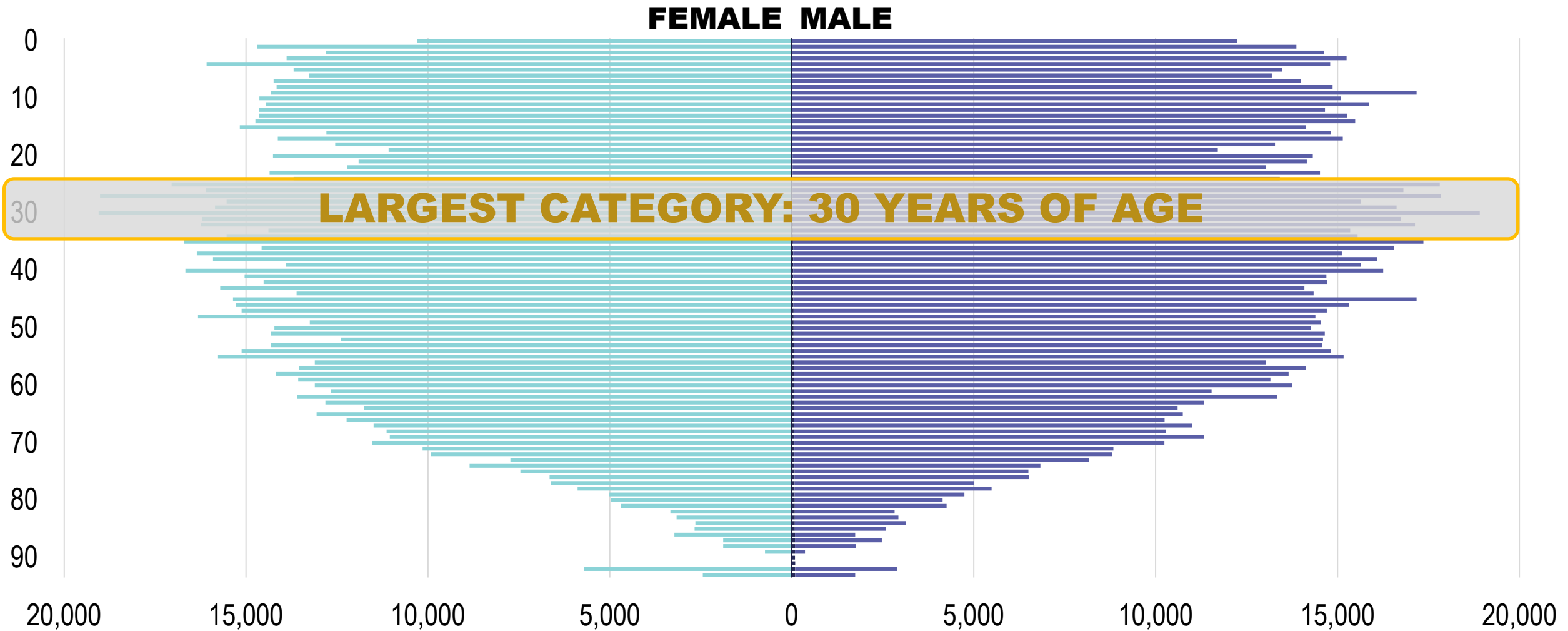
56

REPEAT
HOME BUYERS

Source: NAR

Population by Age Group

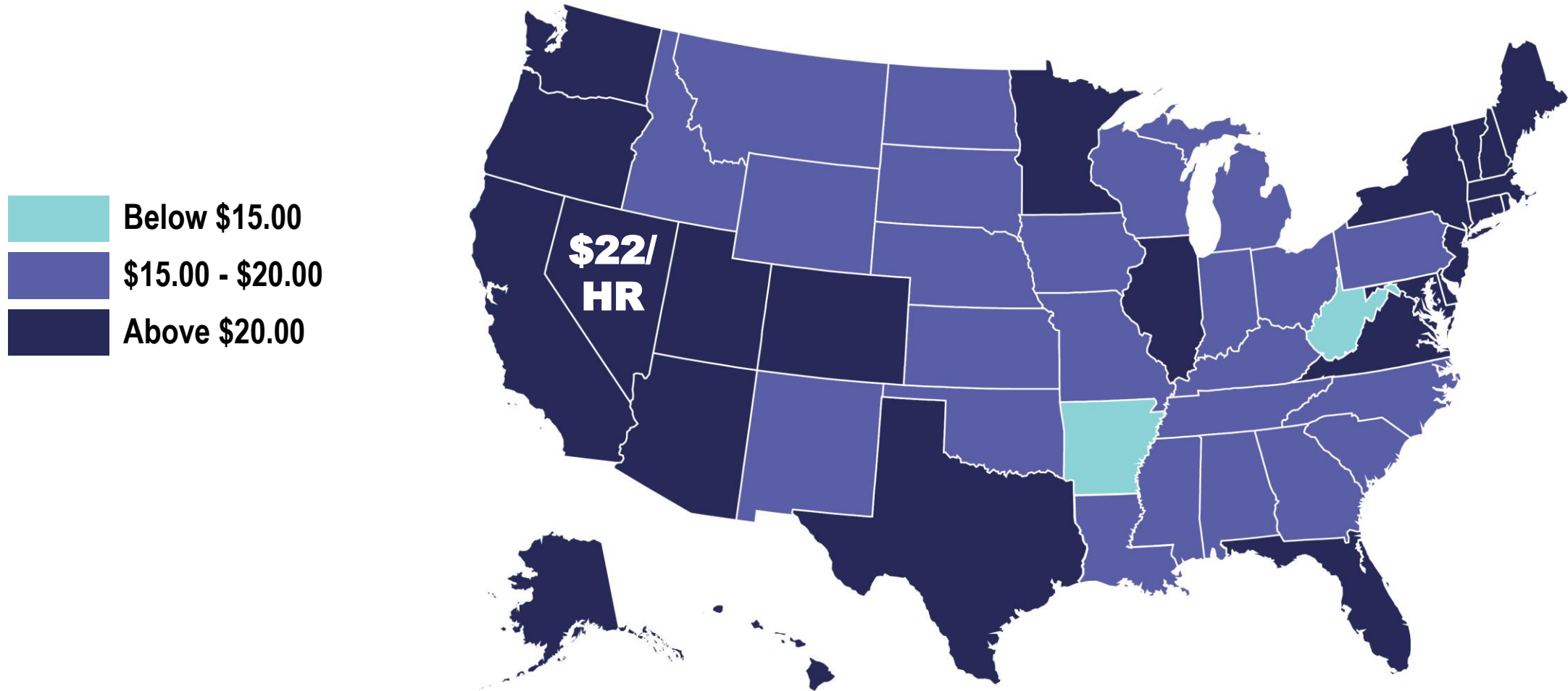
Southern Nevada



Source: IPUMS USA

Affordable Housing

Hourly Wage Required to Afford a 2-Bedroom Rental Home



Source: National Low Income Housing Coalition

CHALLENGES

- LIMITED AVAILABILITY
- HOUSING AFFORDABILITY
- ELEVATED DEVELOPMENT COSTS



OPPORTUNITIES

- DEMOGRAPHICS REMAIN FAVORABLE
- AFFORDABLE HOUSING SOLUTIONS
- RAISING THE BAR

FAVORABLE DEMOGRAPHICS



AFFORDABLE HOUSING SOLUTIONS



HOME MEANS
NEVADA
INITIATIVE

RAISING THE BAR



CHALLENGES & OPPORTUNITIES

1

TOURISM

2

HOUSING

3

LAND

4

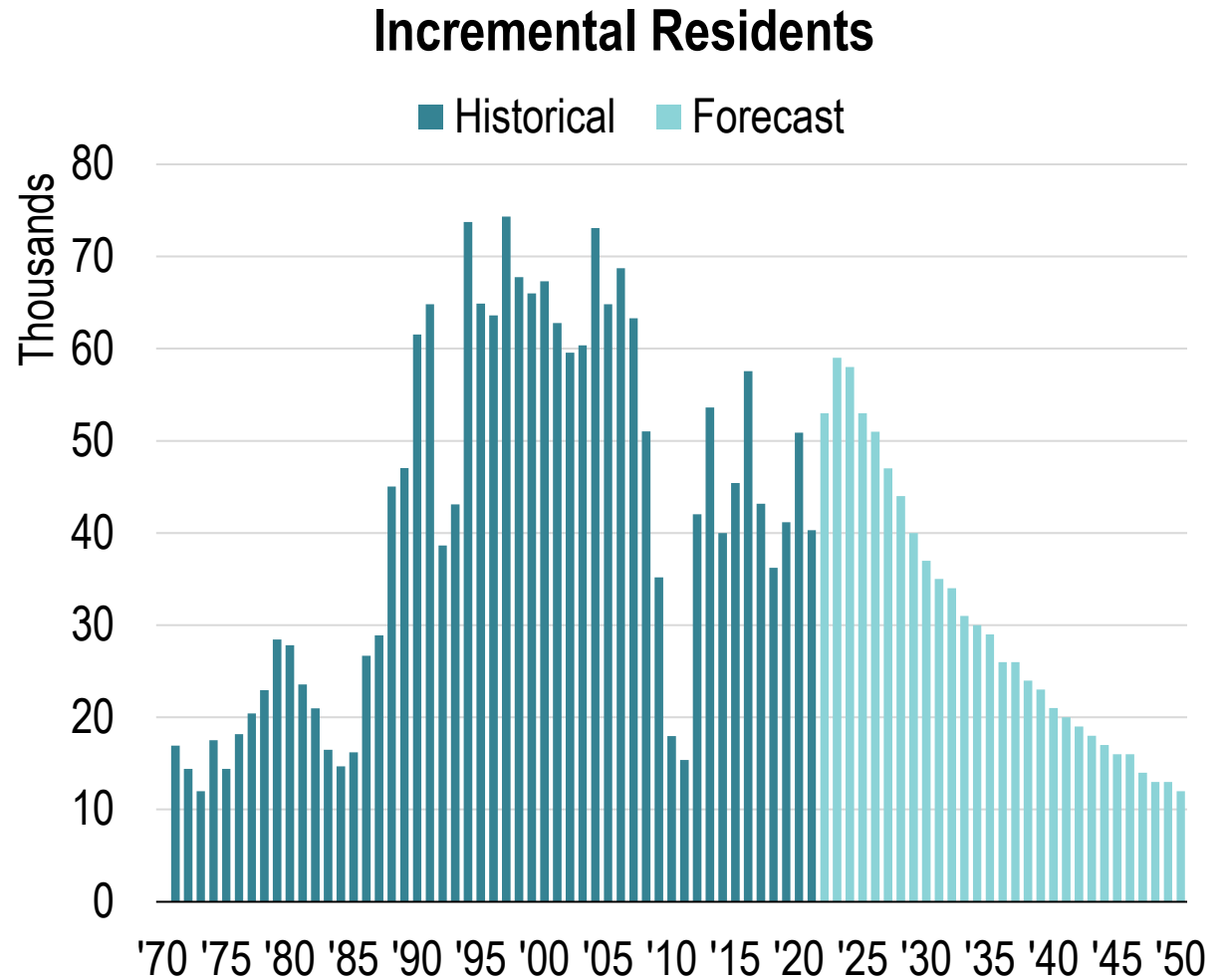
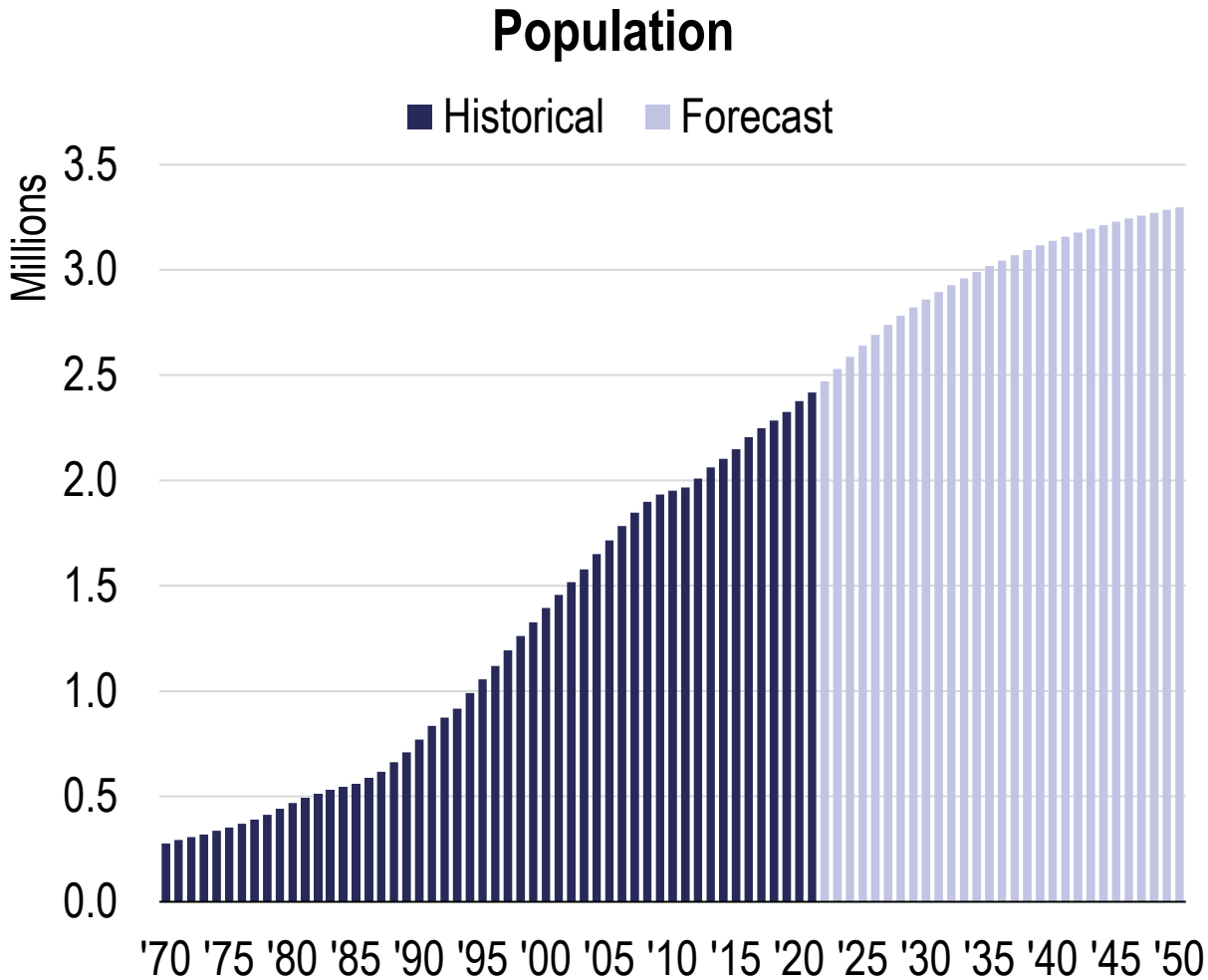
WATER

5

TALENT

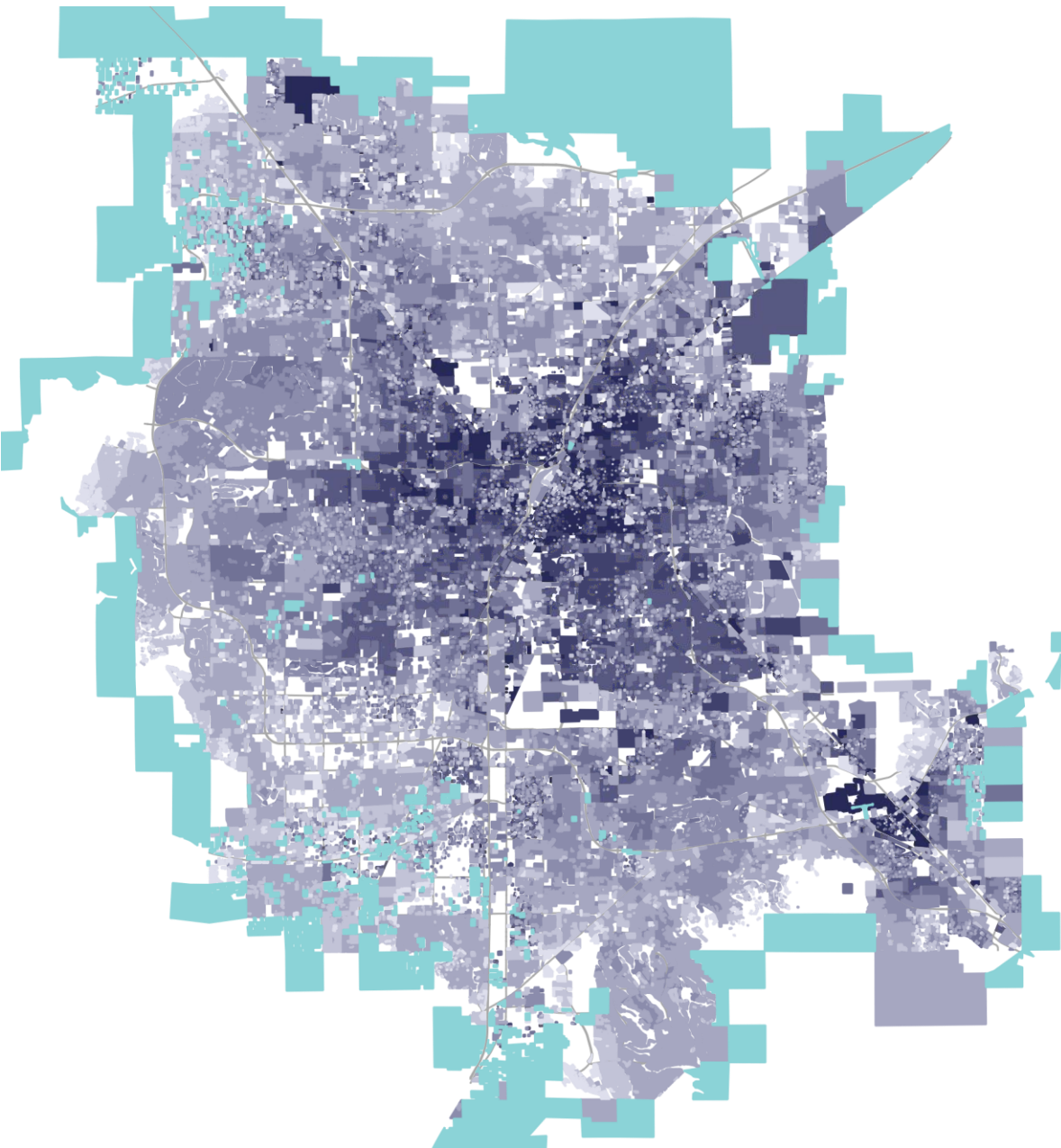
Population and Incremental Growth

Southern Nevada



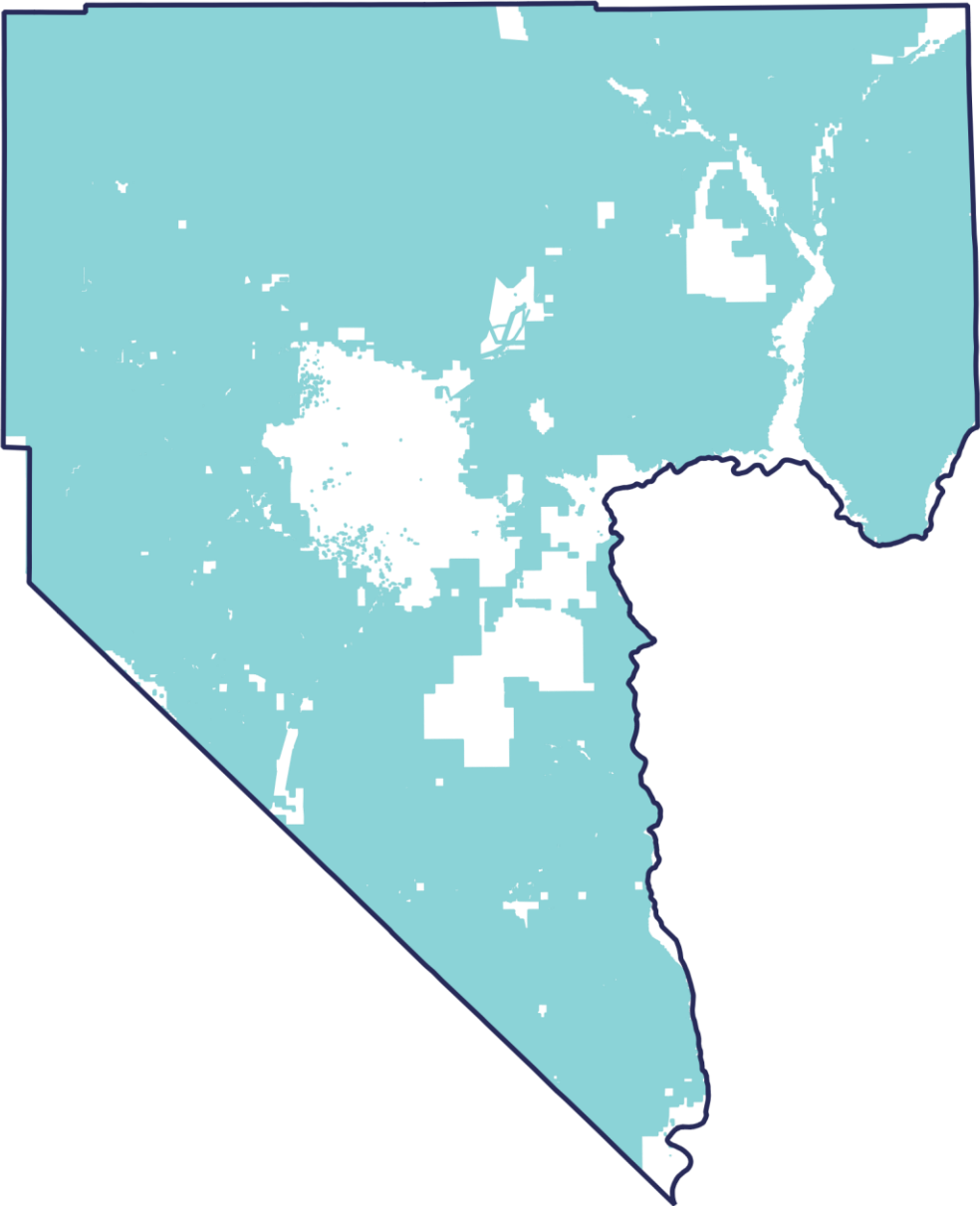
Source: NV Demographer, UNLV CBER, Applied Analysis

Development Activity



- 1960 and Earlier
- 1960s
- 1970s
- 1980s
- 1990s
- 2000s
- 2010s
- 2020 and Later
- Federal Vacant Land

Development Activity



 **Federal Vacant Land**

MSHCP

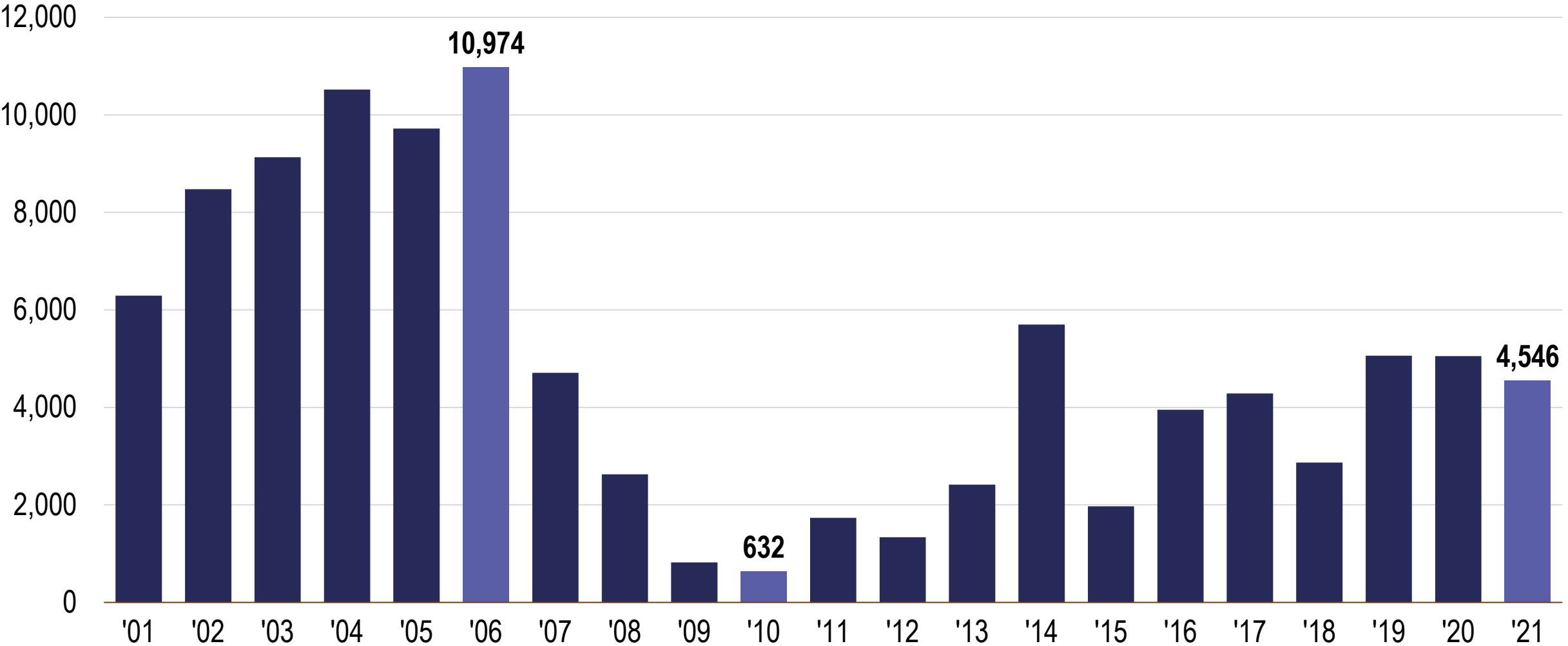


THE MULTIPLE SPECIES HABITAT
CONSERVATION PLAN (MSHCP)
IS INTENDED TO CONSERVE A
WIDE VARIETY OF SPECIES AND
THEIR HABITATS THROUGHOUT
THE COUNTY.

September 2021 - Clark County

Land Disturbed (Development Activity)

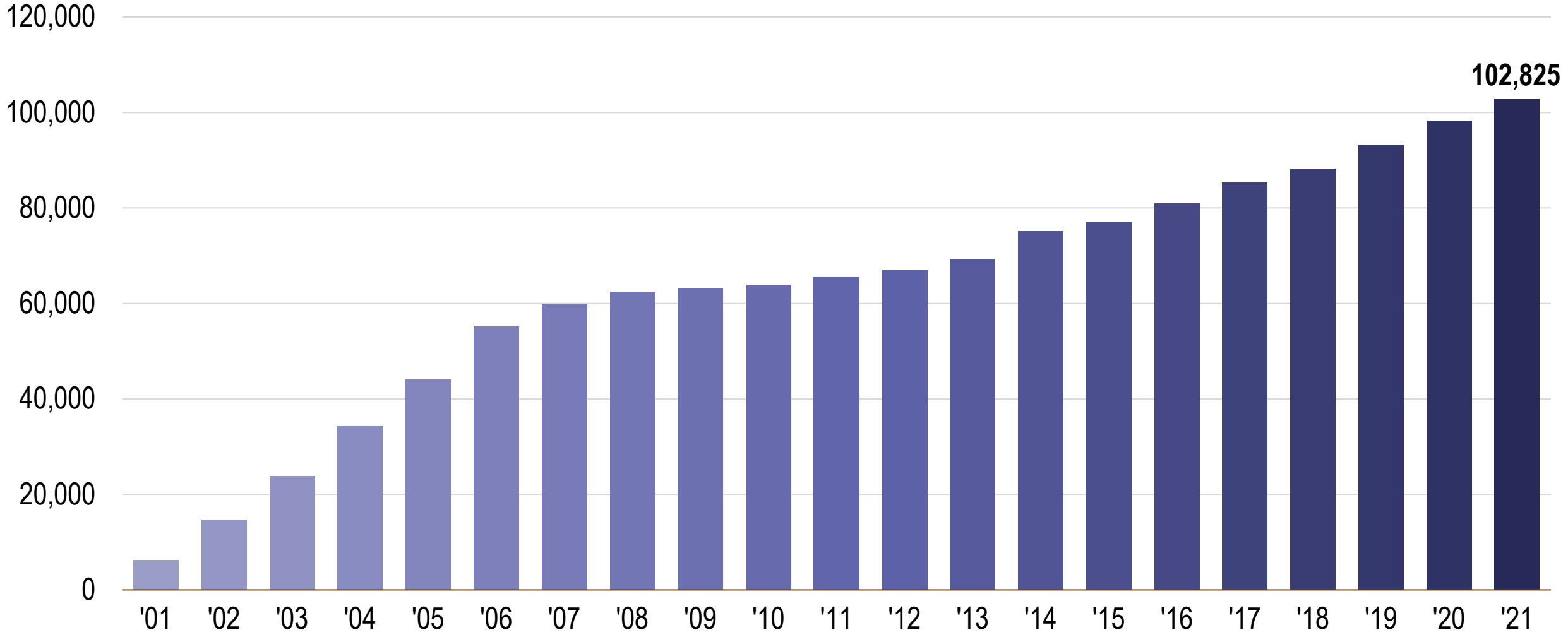
Number of Acres Disturbed Under the Multiple Species Habitat Conservation Plan (MSHCP)



Source: Clark County

Land Disturbed (Development Activity)

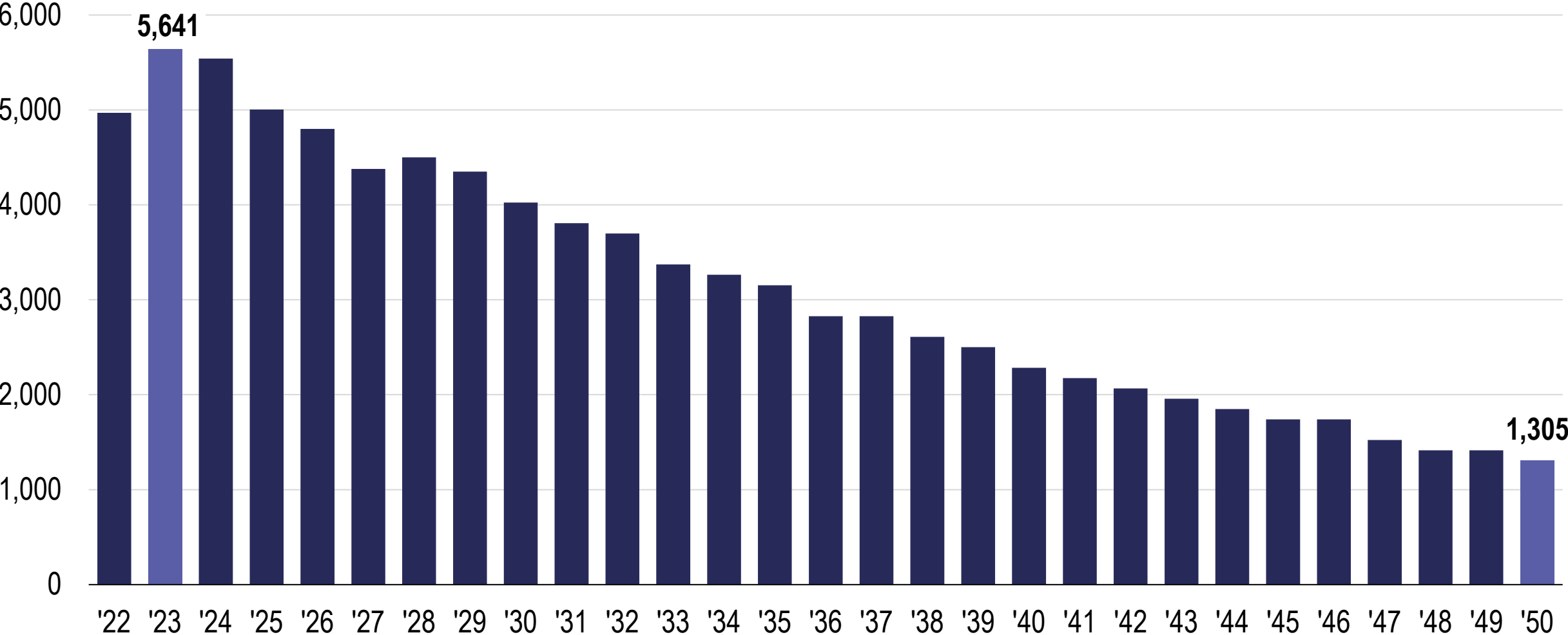
Number of Acres Disturbed Under the MSHCP



Source: Clark County

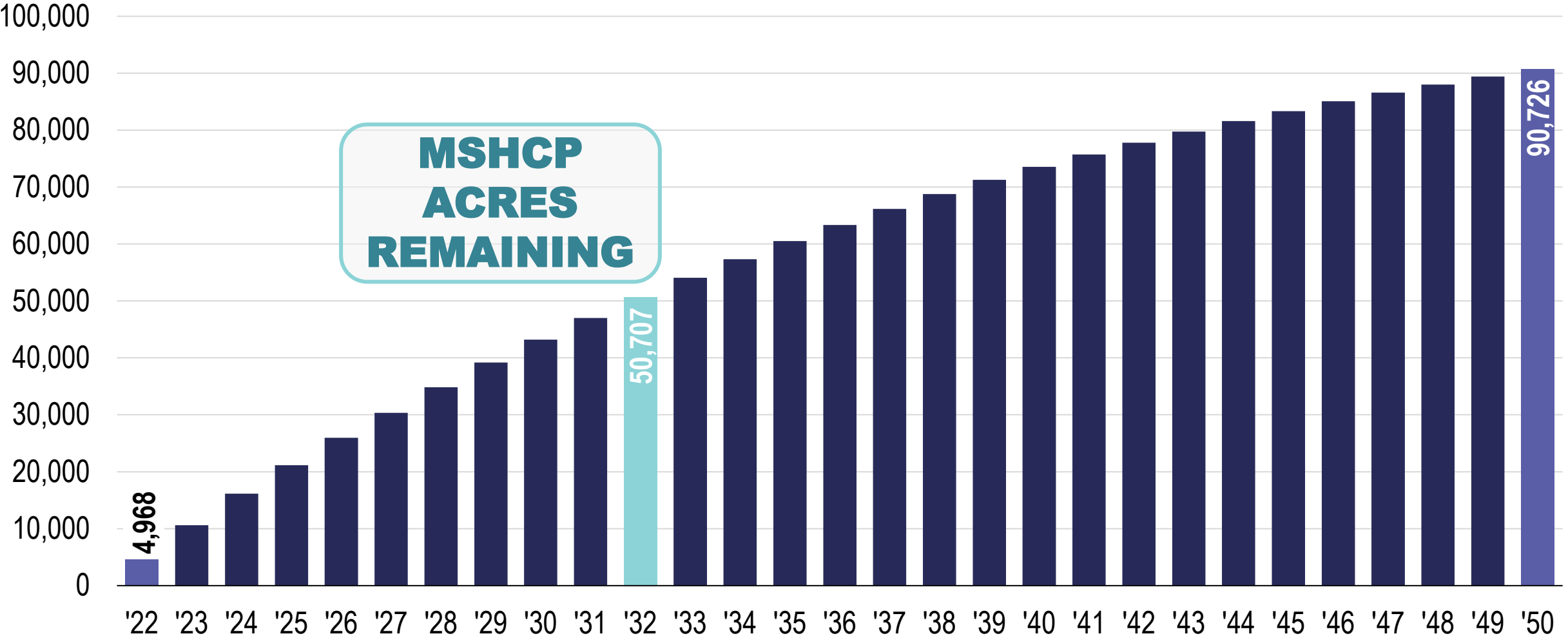
Future Land Demanded Annually (Acres)

Clark County



Future Land Demanded Cumulatively

Clark County | Gross Acres



**11
Years**



THE MARKET'S ABILITY TO MEET FUTURE DEMAND WILL BE LIMITED BY THE SUFFICIENCY OF VACANT DEVELOPABLE PROPERTY... CLARK COUNTY HAS APPROXIMATELY 11 YEARS OF EFFECTIVE LAND AVAILABILITY REMAINING.

Source: Applied Analysis and Southern Nevada Home Builders Association.

CHALLENGES

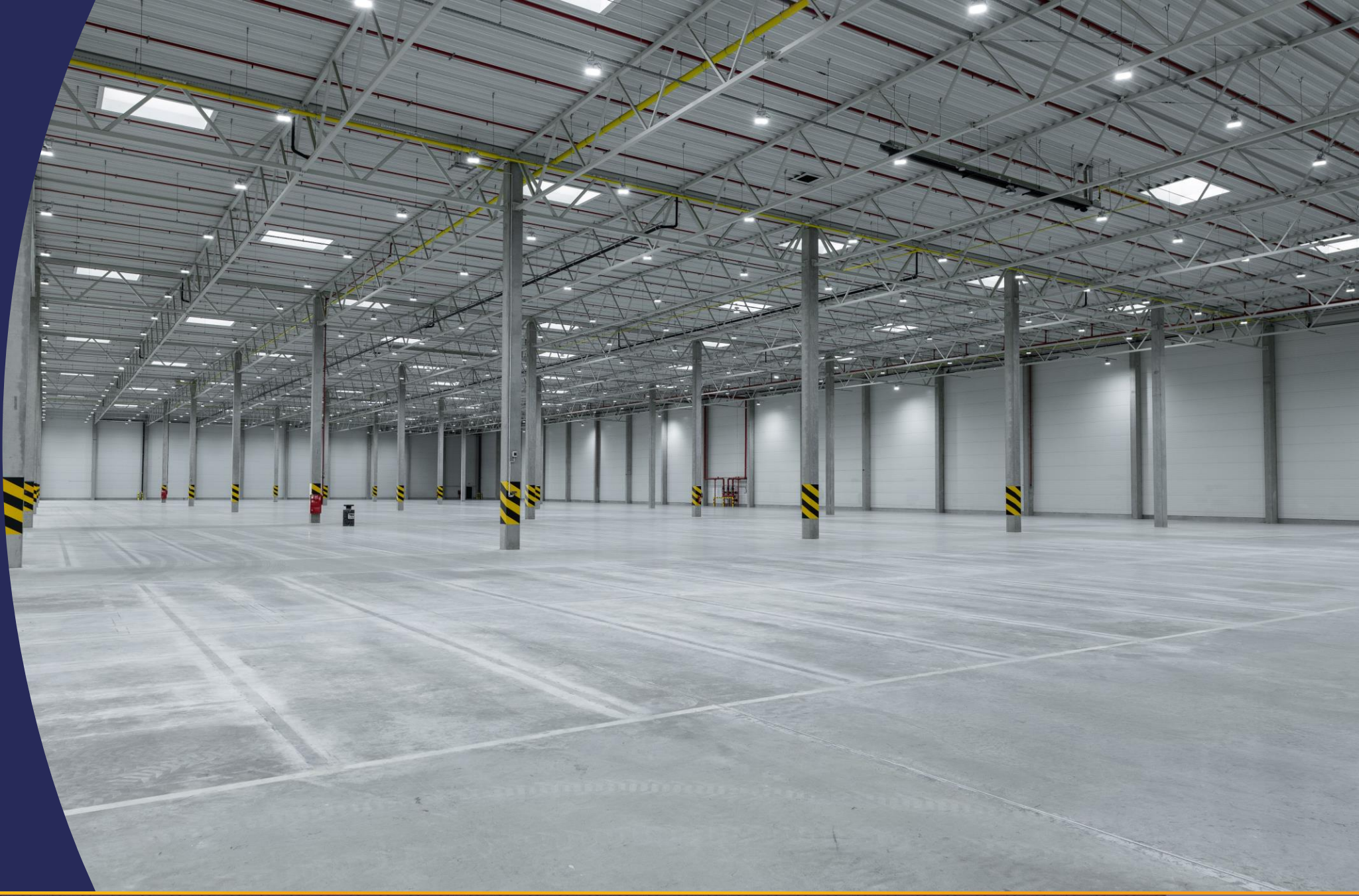
- LAND AVAILABILITY
- LAND PRICING
- LAND LIMITATIONS



OPPORTUNITIES

- FEDERAL LAND BILLS
- AMENDING THE MSHCP
- RETHINKING DEVELOPMENT DENSITIES

FEDERAL LAND BILLS



FEDERAL LAND BILLS



AMENDING THE MSHCP



RETHINKING DEVELOPMENT DENSITIES



CHALLENGES & OPPORTUNITIES

1

TOURISM

2

HOUSING

3

LAND

4

WATER

5

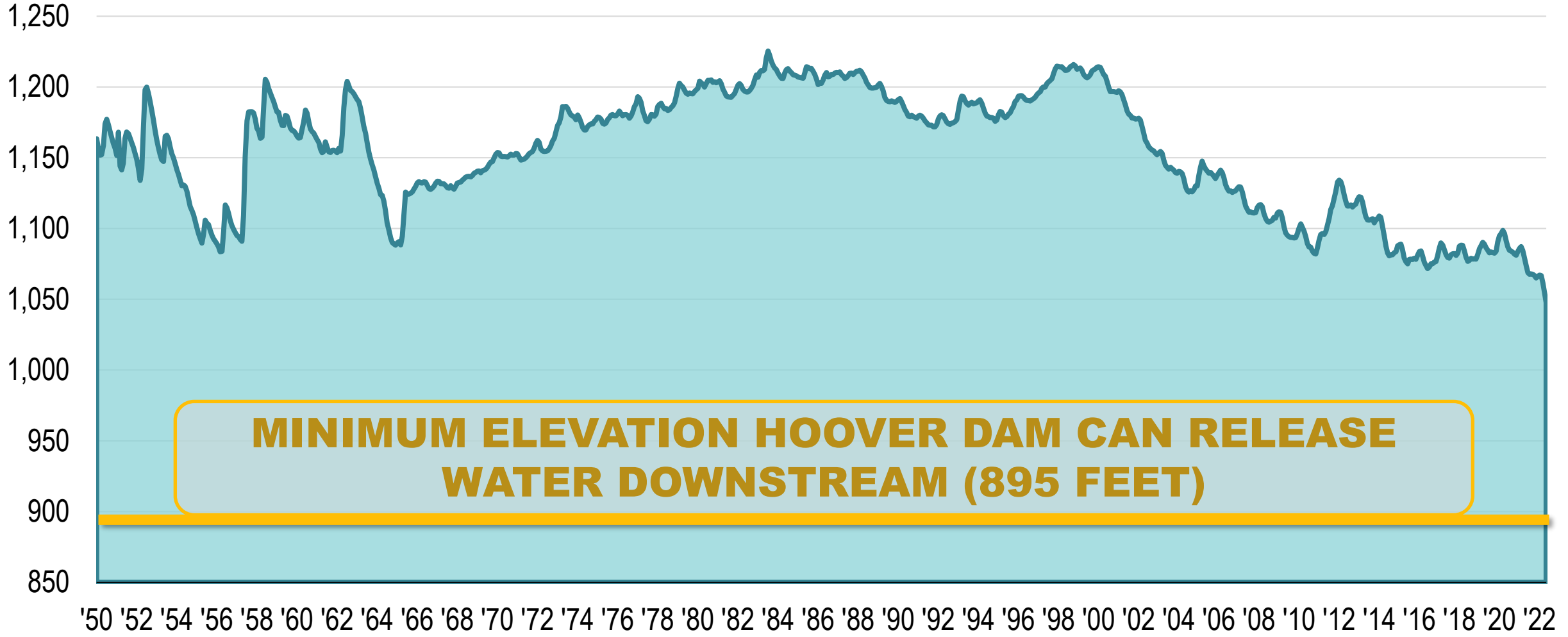
TALENT



Image Source: Las Vegas Review-Journal

Lake Mead Water Level

In Feet



Source: Bureau of Reclamation

Municipal Metered Use

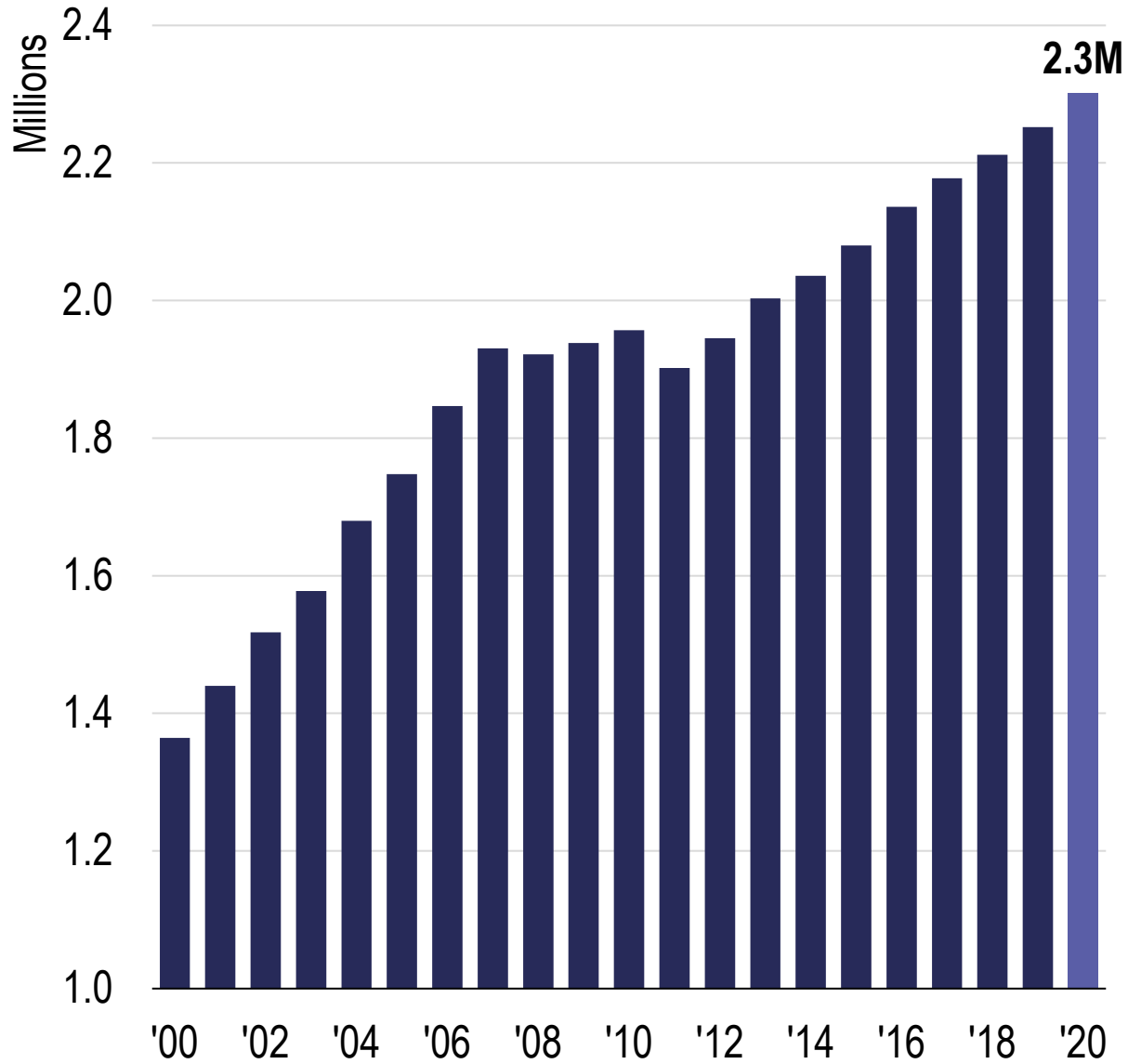
Southern Nevada



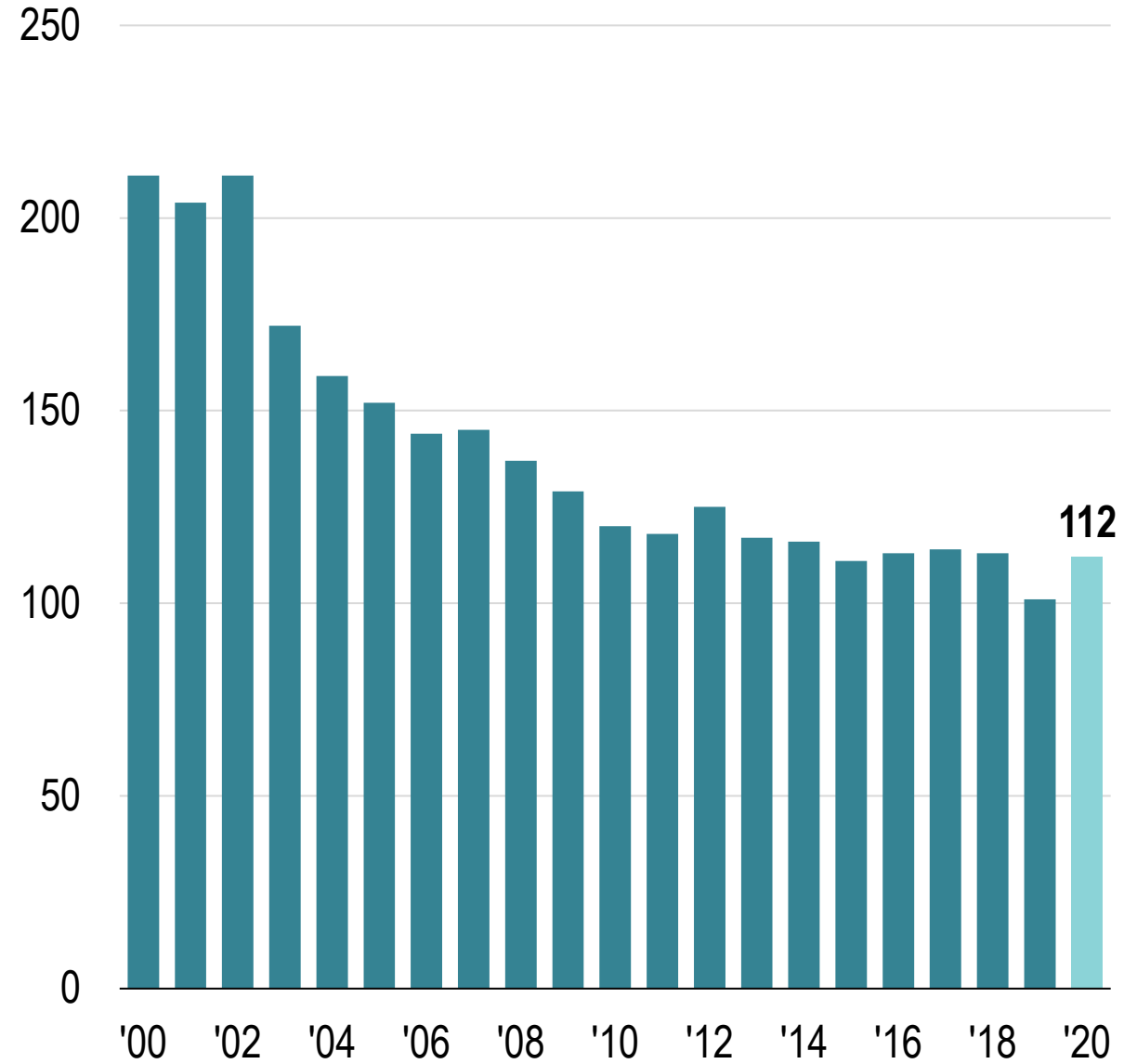
Source	Share
Residential (Single Family)	45.6%
Residential (Multi Family)	16.3%
Commercial/Industrial	13.2%
Resorts	4.9%
Golf Courses	5.5%
Schools/Govt/Parks	5.6%
Common Areas	6.3%
Other	2.6%

Source: SNWA

SNWA Population



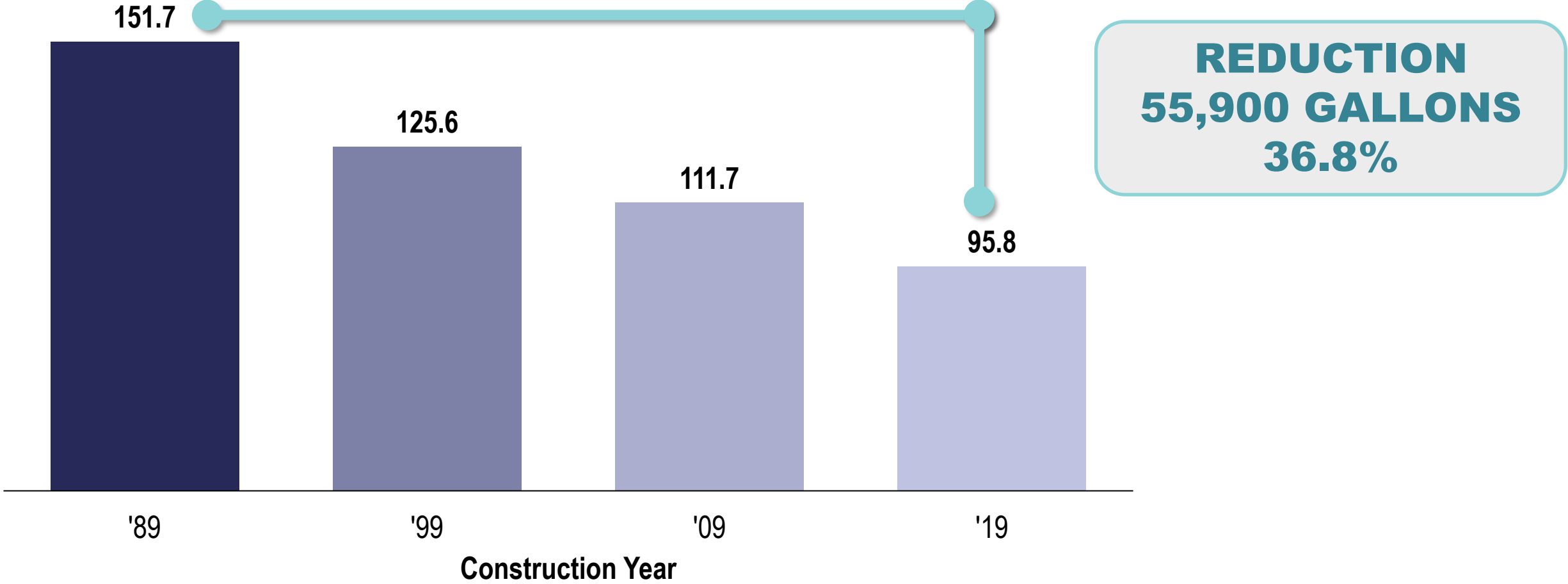
Gallons Per Capita per Day (GPCD)



Source: SNWA

Annual Residential Water Use

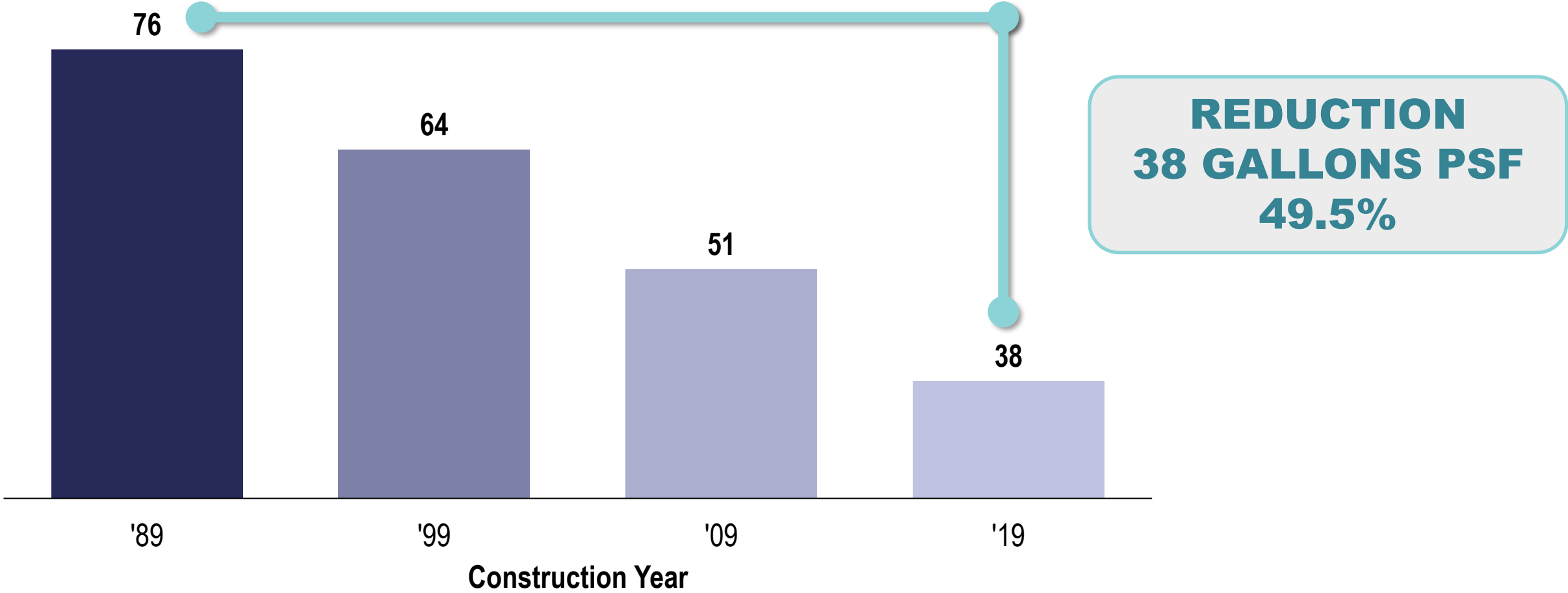
By Construction Year In 1,000 Gallons



Source: Applied Analysis and SNHBA

Annual Residential Water Use

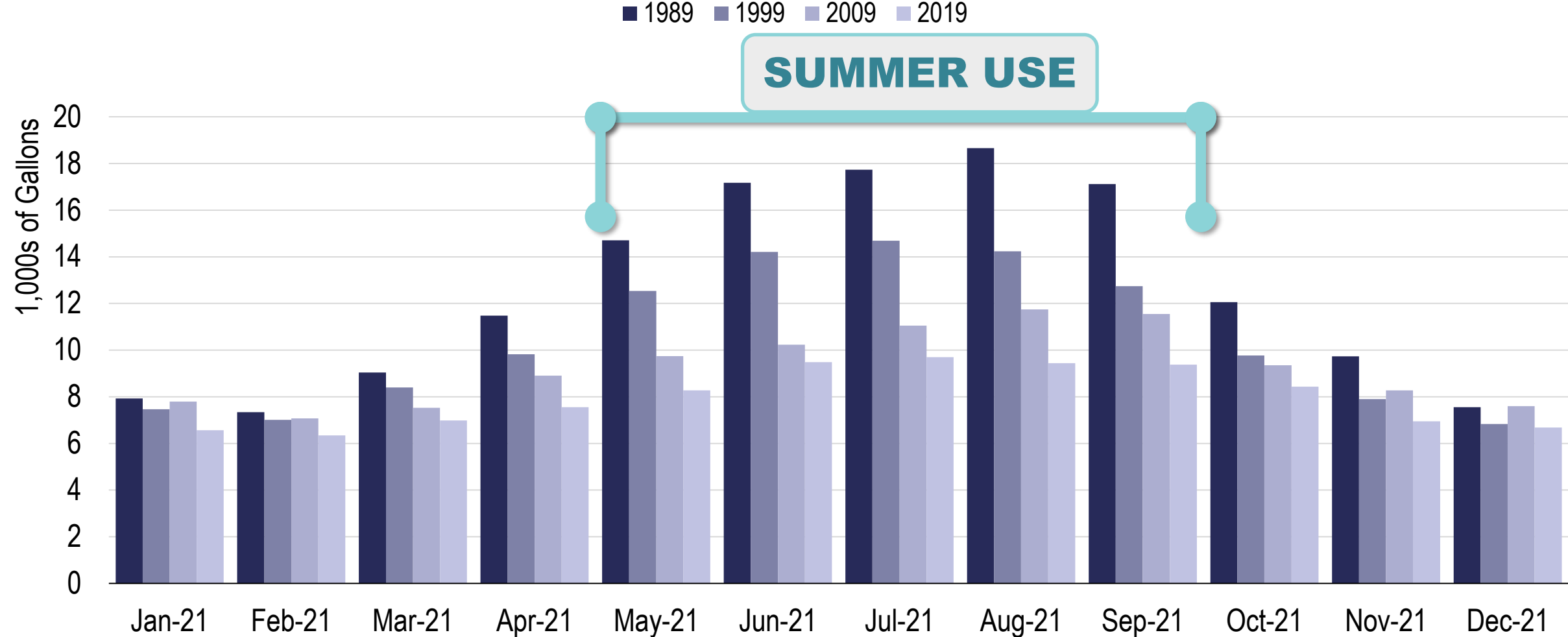
By Construction Year Per Square Foot (PSF)



Source: Applied Analysis and SNHBA

Seasonality of Water Use in 2021

By Month and Year of Construction (Average)



Source: Applied Analysis and SNHBA

CHALLENGES

- LONG-TERM WATER AVAILABILITY
- SUSTAINABLE GROWTH

OPPORTUNITIES

- CONSERVING AND CONVERTING
- SUSTAINABLE DEVELOPMENT



CONSERVING AND CONVERTING



Image Source: SNWA

SUSTAINABLE DEVELOPMENT



CHALLENGES & OPPORTUNITIES

1

TOURISM

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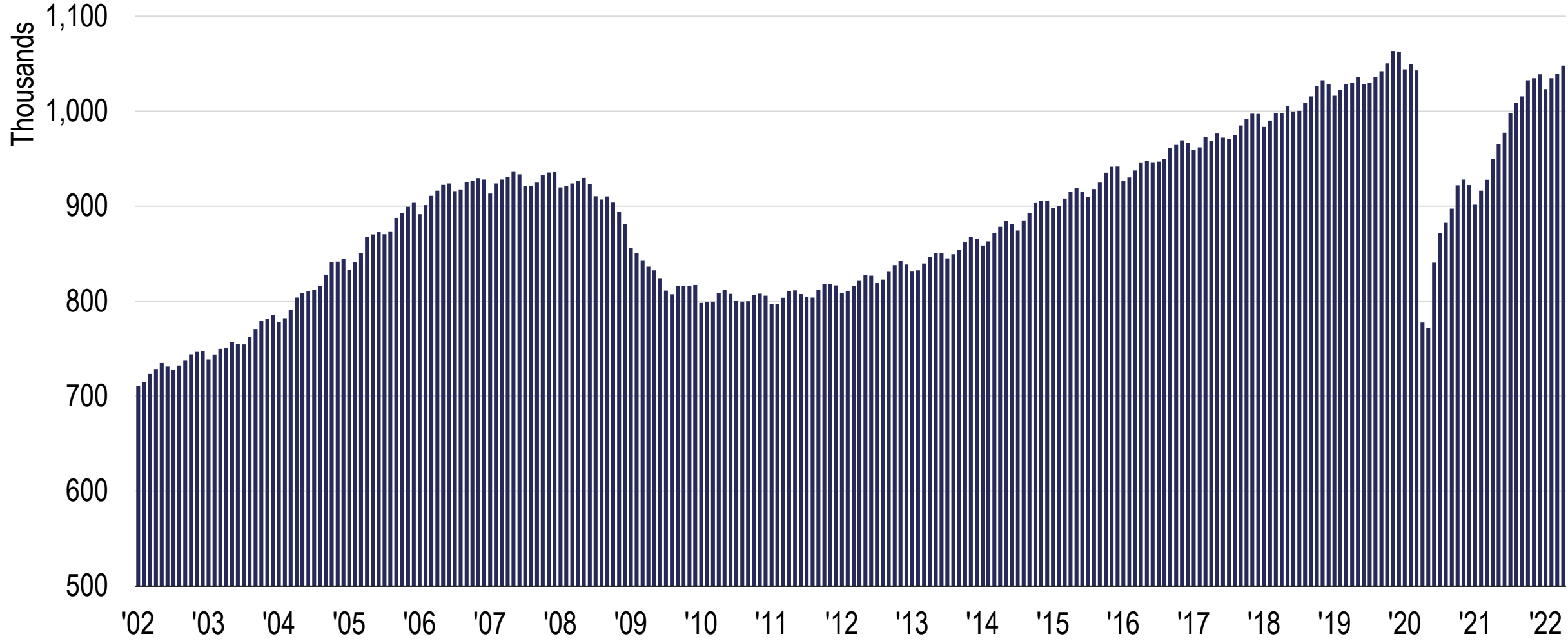
WATER

5

TALENT

Employment

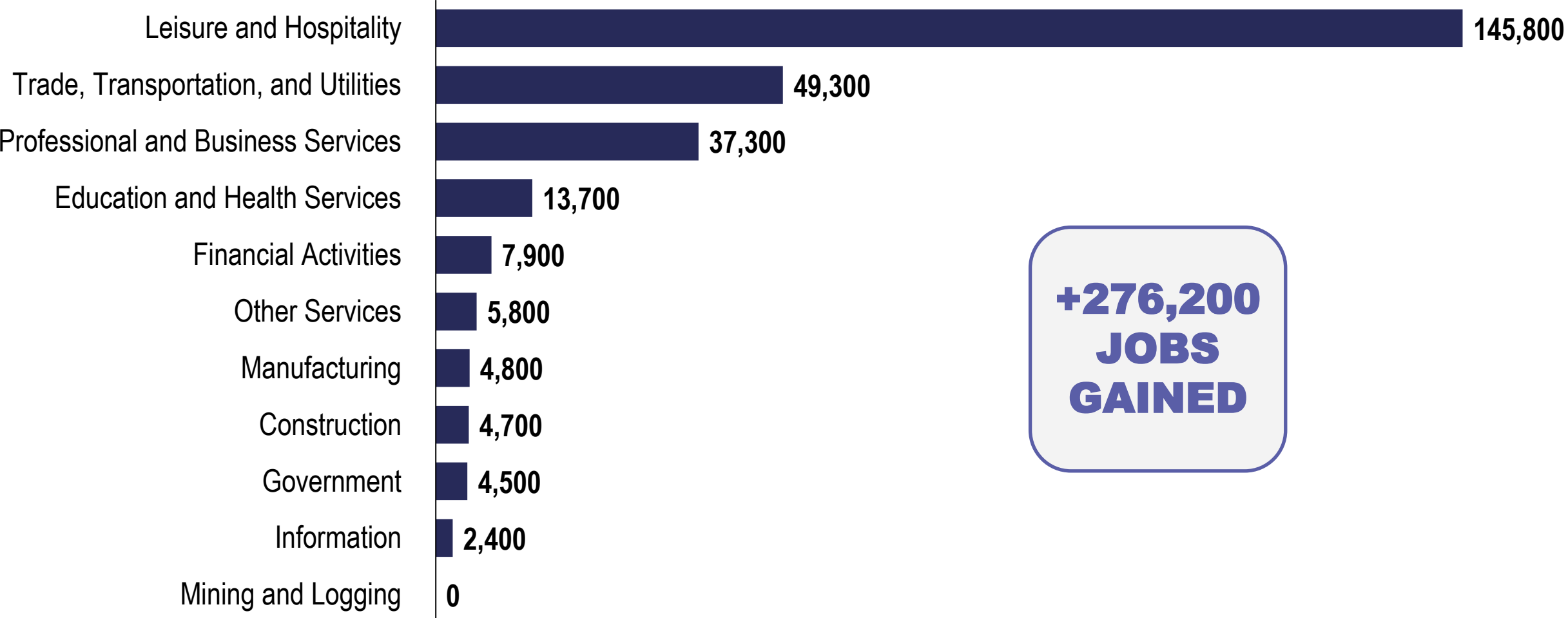
Las Vegas MSA



Source: Bureau of Labor Statistics

Employment Growth by Sector

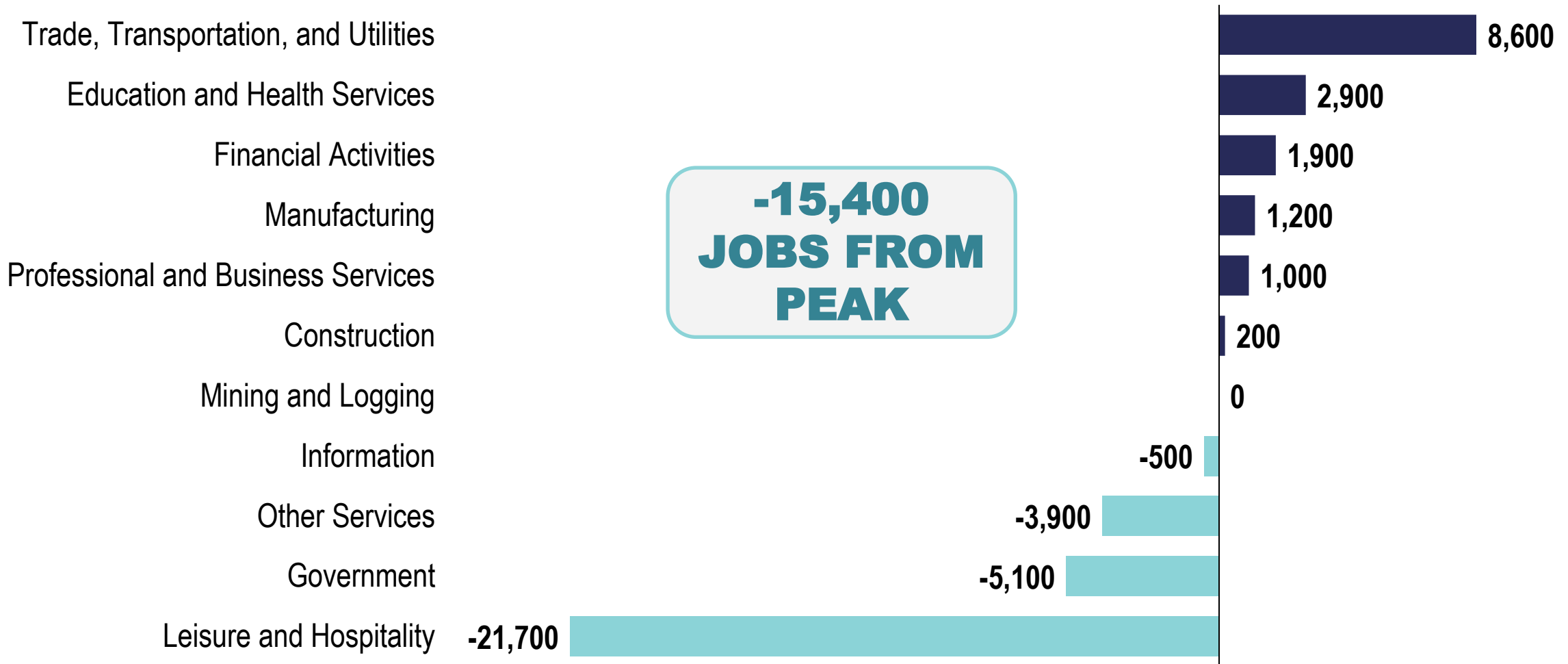
Las Vegas MSA | Trough vs. Today



Source: Bureau of Labor Statistics

Employment Growth by Sector

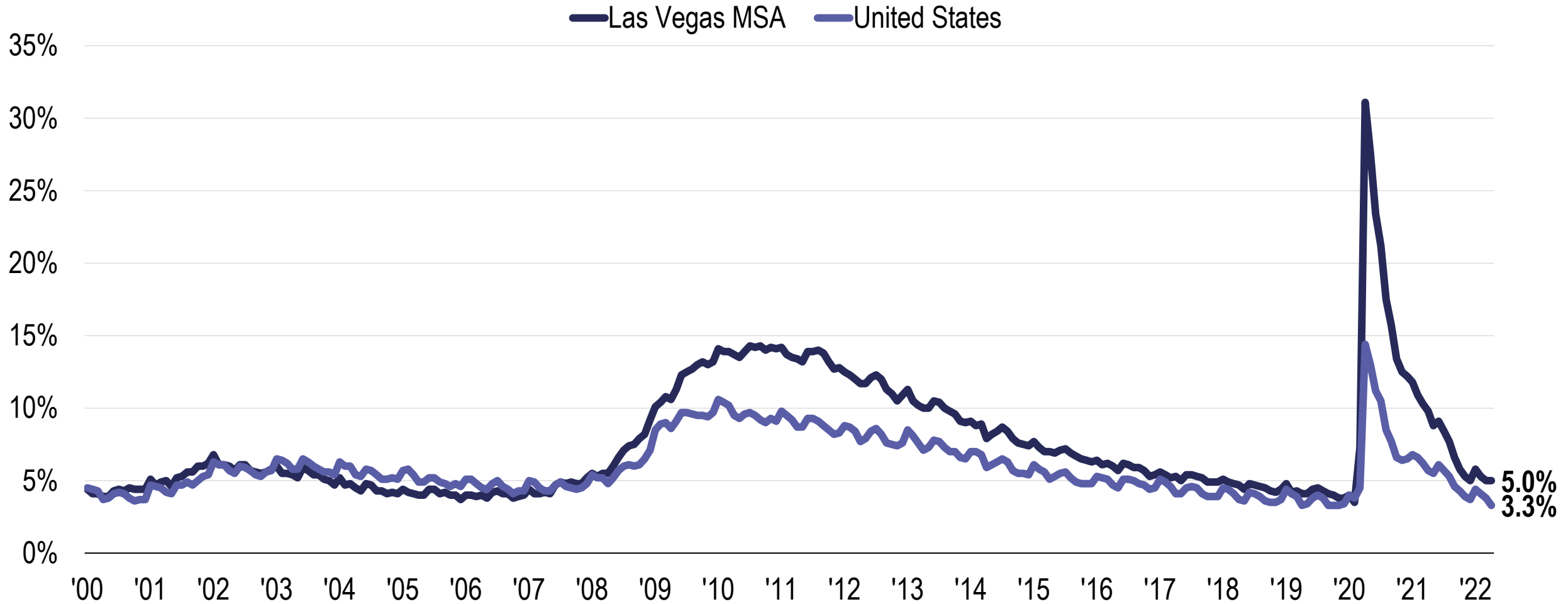
Las Vegas MSA | Peak vs. Today



Source: Bureau of Labor Statistics

Unemployment Rate

Las Vegas MSA vs. United States



Source: Bureau of Labor Statistics

SINGLE MOST
IMPORTANT
CHALLENGE
FACING SMALL
BUSINESSES

HIRING/RETAINING
QUALIFIED EMPLOYEES



Source: Nevada State Bank 2022 Small Business Survey

LABOR FORCE PARTICIPATION

64.1%
PRE-COVID

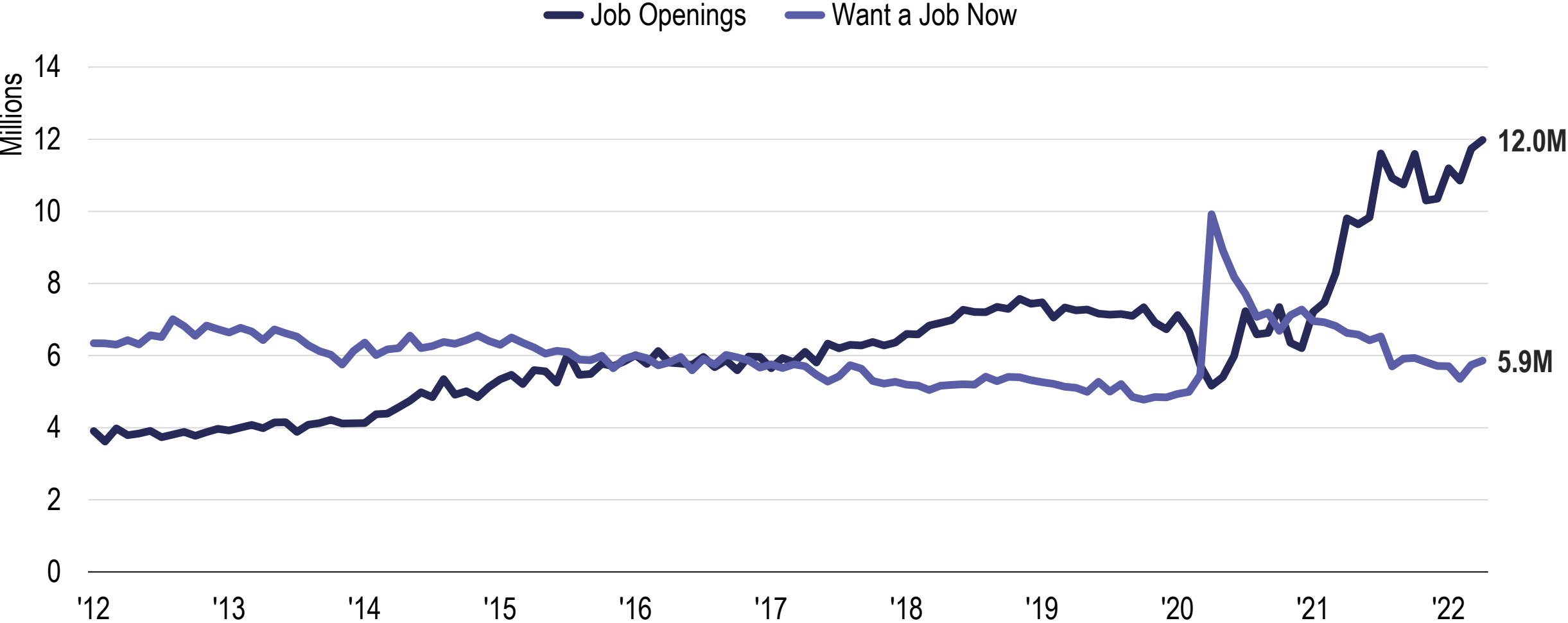
60.1%
TODAY

-42,300
LOSS IN LABOR FORCE

Source: Bureau of Labor Statistics

Job Openings vs. Seeking Employment

United States



Source: U.S. Bureau of Labor Statistics

Labor Force Shortage

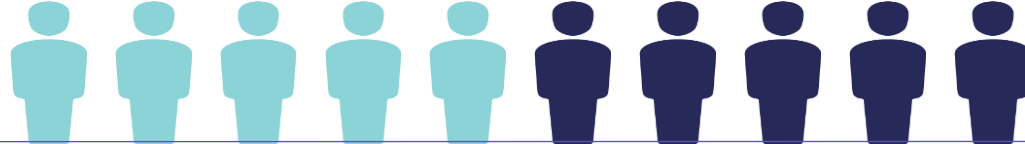
UNFILLED JOB OPENINGS

0% 20% 40% 60% 80% 100%

Durable Goods Manufacturing



Wholesale and Retail Trade



Financial Activities



Leisure and Hospitality



Professional and Business Services



Source: U.S. Chamber of Commerce. Note: Data is for the United States for April 2022.

CHALLENGES

- LACK OF WORKERS
- LACK OF TALENT



OPPORTUNITIES

- WORKFORCE DEVELOPMENT
- INFRASTRUCTURE
- EDUCATION

WORKFORCE DEVELOPMENT



INFRASTRUCTURE



EDUCATION



REACTIVE

PROACTIVE



VS



**THERE IS DIFFERENCE
BETWEEN WHERE WE HAVE BEEN...**



**...AND WHERE
WE ARE HEADED**

APPLIED ANALYSIS



APPLIEDANALYSIS.COM

