

## Local economic indicators slip for third month in row

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<b>Economic indicators</b>			
Total employment	872,900	830,400	5.1
	Last month	Year ago	Percent change
New residents	7,385	8,175	-9.7
Unemployment rate	4.0	5.4	—
New home sales	2,312	2,591	-10.8
Median new home price	\$278,924	\$208,265	33.9
Existing home sales	5,079	5,163	-1.6
New home permits	2,512	2,451	2.5
Commercial permits	130	135	-3.7
Taxable sales	\$2.51 bil.	\$2.15 bil.	16.5
Gaming revenue	\$726.3 mil.	\$635.9 mil.	14.2
Visitor volume	3.67 mil.	3.75 mil.	-1.9
McCarran passengers	3.64 mil.	3.24 mil.	12.2

SOURCES: Las Vegas Convention and Visitors Authority Nevada Employment Security Division, Home Builders Research, UNLV Center for Business and Economic Research, Nevada Gaming Control Board, Nevada Department of Tourism, Nevada Department of Motor Vehicle and Public Safety. Some percentages are rounded.

The Southern Nevada Index of Leading Economic Indicators slipped for a third straight month in October to 128.78, moving in unison with the national index of leading indicators, a local economist said Thursday.

The region continues to show strong job growth and posted double-digit increases in gaming revenue and taxable sales in the latest month of statistics.

However, nine of the 10 indicators contributed negatively to the index compiled by the Center for Business and Economic Research at University of Nevada, Las Vegas.

Gross gaming revenue of \$726.3 million for August, up 14.2 percent from the same month a year ago, was the only positive force.

"The index suggests that we have hit a patch of economic softness and that slower growth rates should be expected in the months ahead," said Keith Schwer, director of the research center. "As such, it will take more months with sharper declines to signal a reversal in the current expansion."

The index is a six-month forecast from the month of the data (August), based on a net-weighted average of 10 series after adjustments for seasonal variation. The accompanying Review-Journal chart includes several of the index's categories, along with data such as new residents and employment and housing numbers, updated for the most recent month for which figures are available.

Schwer said both the local and national economies have picked up in the last year, but there are dark spots among the indicators. "Gas prices are up, so people are more hesitant in their spending, not knowing where things are going," he said.

The unemployment rate for Southern Nevada hit a four-year low of 4 percent in August and the area added 7,100 jobs in the month, including 1,700 in construction.

Jim Shabi, economist for the Nevada Department of Employment, Training and Rehabilitation, said some analysts are concerned the rapid rise in housing prices could push potential buyers out of the market, which could lead to a slowdown in the construction industry. "You look at some of the big drops, two of the factors that jump out are residential permits and valuation," Shabi said.

Permits were down in August, but bounced back in September to 2,512, up 2.5 percent from a year ago, Dennis Smith of Home Builders Research reported. Residential valuation totaled \$267.2 million in August, down 18.5 percent from the previous month and 14.4 percent from a year ago.

Shabi said gaming numbers have lagged behind the rest of the indicators since the 2001 terrorist attacks, but predicts they will pick up in the coming months.

"Going into next year, you've got Steve Wynn's new hotel that should give some kick to the gaming industry," he said. "We may revert to a more historical growth pattern with gaming in the lead rather than trailing."

The Clark County tourism index jumped 10.2 percent in August from a year ago. Visitor volume was down 1.9 percent during the month, but remains on pace for a record year, up 5 percent through August at 25.1 million. Occupancy rates are hovering around 90 percent and passenger counts at McCarran International Airport are up nearly 15 percent for the year at 27.7 million.