

Q2 2023 | ECONOMIC OVERVIEW

UNEMPLOYMENT
CONSTRUCTION
HOUSING
NEWS



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CORFAC
INTERNATIONAL



Washoe County Unemployment Rate is well above the United States rate but remains below the State of Nevada rate; Nevada has the highest unemployment rate in the country. The Ekay Economic Consultants Construction Index reveals increasing interest rates and flat home sales prices are impacting developers' ability to obtain new financing and afford to continue existing project development.

WASHOE COUNTY AREA UNEMPLOYMENT

The U.S. Bureau of Labor Statistics Unemployment Rate for Washoe County was 4.1% for May 2023. The Washoe County unemployment rate was above the 3.4% United States national rate but remained below the 5.3% State of Nevada rate. The unemployment rate for Washoe County in May 2022 was 3.3% reflecting a year-over-year increase of .8%.













The June 2023 edition of the Job Flash prepared by RCG Economics reported, "The Reno-Sparks MSA "headline" (minimum) unemployment rate declined by 0.4 points in April. Compared to April 2022, the region gained 9,000 total payroll jobs (a 3.4% increase) while the unemployment rate increased by .8 points YOY. YOY average weekly inflation-adjusted wages are 9.9% higher compared to April 2022, while average weekly hours decreased 0.4 hours YOY (a 1.1% decrease). The Education and Health Services sector has seen consecutive gains for the past nine months. However, YOY job growth for the Reno-Sparks MSA decreased 1.7 percentage points compared to April 2022."

The July 24, 2023 Fact Pack by Hightower Las Vegas and RCG Economics stated in part: "Nevada's headline unemployment rate did not change from May to June, staying at 5.4% for the third consecutive month. However, the state's labor force grew by 2,900. According to the Nevada Department of Employment, Training, and Rehabilitation (DETR) June 2023 economic report: Reno metro area employment had an increase of 1,400 jobs (0.5%) since May, an increase of 9,600 jobs (3.9%) since June 2022. Unemployment rates in the states, Nevada had the highest unemployment rate (5.4%)."



CONSTRUCTION INDEX:

Ekey Economic Consultants and the Center for Regional Studies created the Reno MSA Construction Index to provide a picture of the performance of the construction industry in the Reno MSA region. EKAY states “Reno MSA Construction Index declined between April and May 2023, continuing a trend of contractions in the index. The index shows a decline of 2.97% between April and May 2023. The index is also 20.12% lower than the same period last year (May 2022). The only series showing an increase during both periods is construction employment, as the region’s construction increased from 21,800 persons in January 2023 to 23,200 in May 2023. However, future construction, as represented by permit data, is expected to be lower than in the past. Increasing interest rates and flat home sales prices are impacting developers’ ability to obtain new financing and afford to continue existing project development.”

-5.27%					
					
% Change	Construction Employment	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units
Month to Month	0.60% 	-11.4% 	-37.5% 	-6.9% 	-8.0% 
-28.99%					
					
% Change	Construction Employment	Commercial Building Permit Valuation	Commercial Building Permits	Residential Building Permit Valuation	Residential Building Permit Units
Year to Year	8.1% 	-90.1% 	-56.7% 	-58.4% 	-52.7% 

Construction Index

May 2023

Provides historical and current trends for the construction industry in the Reno MSA region.