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the same month a year ago. "That's probably the engine of both the national and local economy," Schwer said, "that consumer spending continues to hold and that includes the housing component. That has really helped soften the recession."

Schwer said it's been a good time to buy real estate with low interest rates, and people have readjusted their investment portfolios, taking money out and moving it around into areas other than stocks.


Jim Shabi, an economist for the Nevada Department of Employment, Training and Rehabilitation, said the international political climate continued to put a damper on the U.S. economic recovery in November.

"War with Iraq remained an ever-looming possibility, tensions with North Korea moved to the forefront and terrorist activity overseas renewed fears of possible attacks on American soil," he said. "Financial markets hate uncertainty, so U.S. businesses have remained cautious in their expansion and hiring plans."

Nevada saw its first unemployment rate increase of the year in November, largely attributable to the shutdown of Las Vegas-based National Airlines.

But Shabi said the rise by 0.1 percentage point to 4.6 percent was "statistically insignificant." The state added 1,200 jobs in the month,

## Economic indicators

	Latest month	Year ago	Percent change
<b>New home permits</b> 	1,987	1,277	55.6
New residents	5,725	5,508	3.9
Total employment	804,500	779,600	3.2
Unemployment rate	4.8	7.0	—
New home sales	2,362	2,338	1.0
Existing home sales	3,419	2,719	25.7
Median new home price	\$186,827	\$178,920	4.4
Commercial permits	76	55	38.2
Taxable sales	\$1.92 bil.	\$1.83 bil.	4.8
Gaming revenue	\$654.5 mil.	\$614.3 mil.	6.4
Visitor volume	2.81 mil.	2.65 mil.	6.3
McCarran passengers	2.71 mil.	2.53 mil.	7.1

\* Figures based on out-of-state drivers licenses surrendered to the Nevada Department of Motor Vehicles and Public Safety.

SOURCES: Nevada Employment Security Division, Home Builders Research, UNLV Center for Business and Economic Research, Nevada Gaming Control Board, Nevada Department of Taxation, Nevada Department of Motor Vehicles and Public Safety.

MIKE JOHNSON/REVIEW-JOURNAL

despite the National layoffs, normal seasonal employment declines in construction and gaming and continued weakness in the manufacturing sector.

Nevada's tourism industry is just beginning to reach the levels it had before the recession in visitation, employment, gaming win and room prices, Shabi said.

"Economically speaking, 2002 has been a disappointing year," he said. "The national

recovery has generally failed to meet analysts' expectations. The forecast for accelerated growth that was expected by the middle of 2002 has now been pushed back to the second half of 2003."

ASSEMBLY/JUDICIARY

DATE: 4/29/03 ROOM 3138 EXHIBIT C

SUBMITTED BY: Senator O'Connell

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# March new-home sales set record for the month

## Median prices for new homes and resales show increases

By HUBBLE SMITH

REVIEW-JOURNAL

There were 1,990 new home sales in Las Vegas in March, the highest number ever tallied for that month, Dennis Smith, president of Home Builders Research, said Thursday.

That's a 1.9 percent increase from 1,953 recorded sales in March 2002, the local housing industry researcher reported.

The uptick follows two consecutive months of declines, leaving first-quarter sales down 5.1 percent from the same period a year ago.

As anticipated, new home permits continued to show the market's strength, Smith said, as builders pulled 2,009 permits in March. The quarter ended with 5,797 new home permits, also a record and an 8.1 percent increase over last year.

"It illustrates how strong the market is, and why we are

so optimistic about the second quarter," Smith said.

He tallied 3,521 existing home sales in March, bringing the three-month total to 9,546, up 13.2 percent from first quarter 2002.

The median price of a new home in March was \$187,535, up 4.2 percent, and the resale median price was \$161,000, a 13.2 percent spike.

The gap has narrowed between the median price of new homes and resales, and Smith said this trend should continue for the next 12 to 18 months, then ease and level off at \$10,000 to \$15,000 difference.

Just as the year-to-year percent increases of new home prices seemed to peak in 2001 and the first half of 2002, the change in the resale median price appears to be reaching its peak, he said.

"I'm a big believer in history and five to 10 years ago the gap was \$10,000 to \$12,000 and then the new-home median took off and we kept saying

the median resale price would begin to rise, pulled up by the new homes," Smith said.

Weekly traffic counts at subdivision models indicate that consumer demand still exists, and net sales per subdivision have remained fairly consistent since the start of the war with Iraq.

"As you can see, even though some of the housing statistics did in fact soften recently, we still have a very active housing market," Smith said.

"It is strong enough that we believe if the economic picture slowly improves, as many economists state, 2003 will still bring a record number of recorded new home sales and resales."

Subdivisions that recorded strong sales numbers in March include: Pearl Cove (Real Homes), 98; Sun City Anthem (Del Webb), 85; Creekside (Real Homes), 71; Vistana (Rhodes Homes), 38; and Siena (Sunrise Colony), 34.