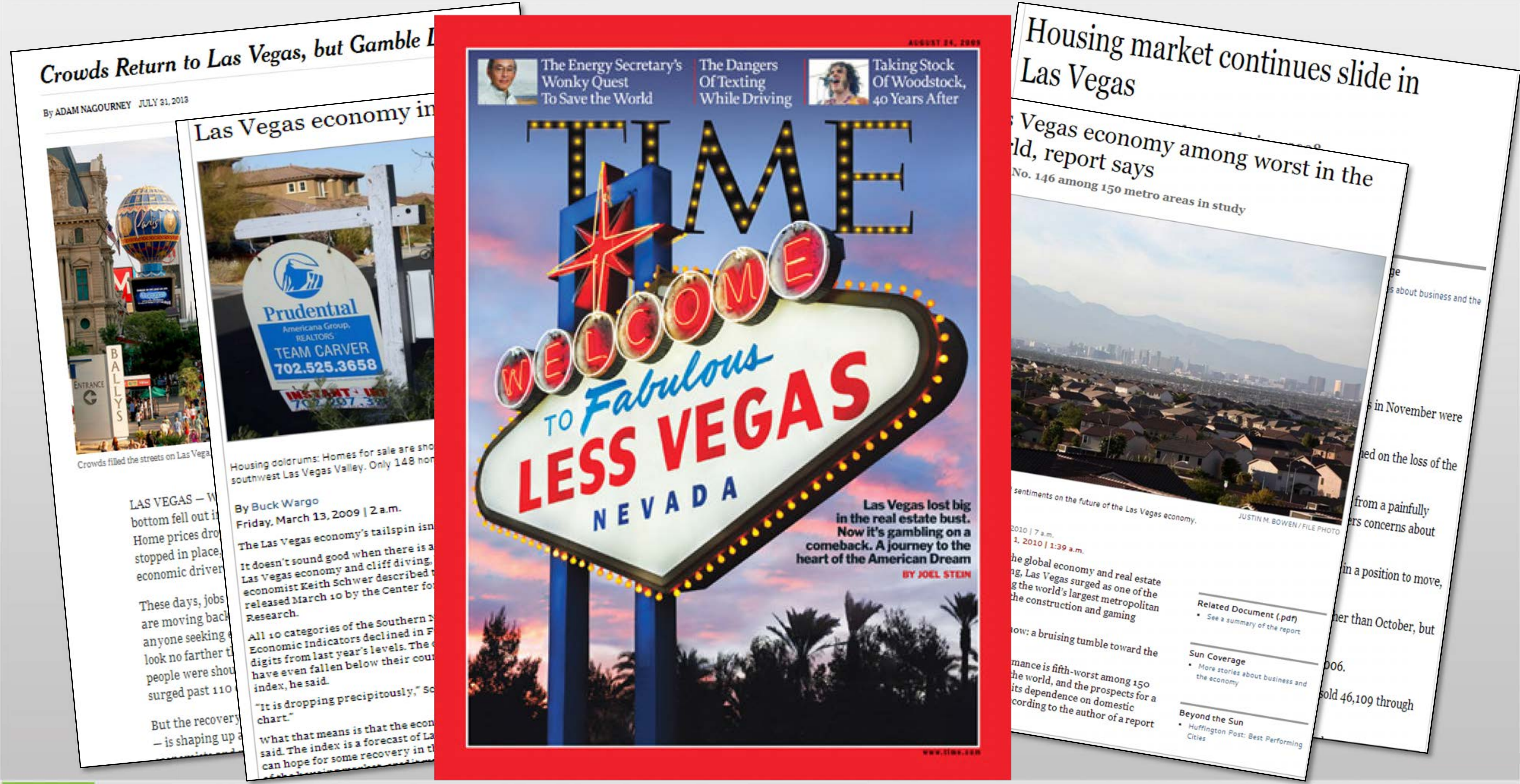
2017

LAS VEGAS PERSPECTIVE

JEREMY AGUERO

COMING FULL CIRCLE

APPLIED ANALYSIS



Crowds Return to Las Vegas, but Gamble L
By ADAM NAGOURNEY JULY 31, 2013
Crowds filled the streets on Las Vega
Las Vegas economy in
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Americana Group, REALTORS
TEAM CARVER
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BY JOEL STEIN
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Vegas economy among worst in the ld, report says
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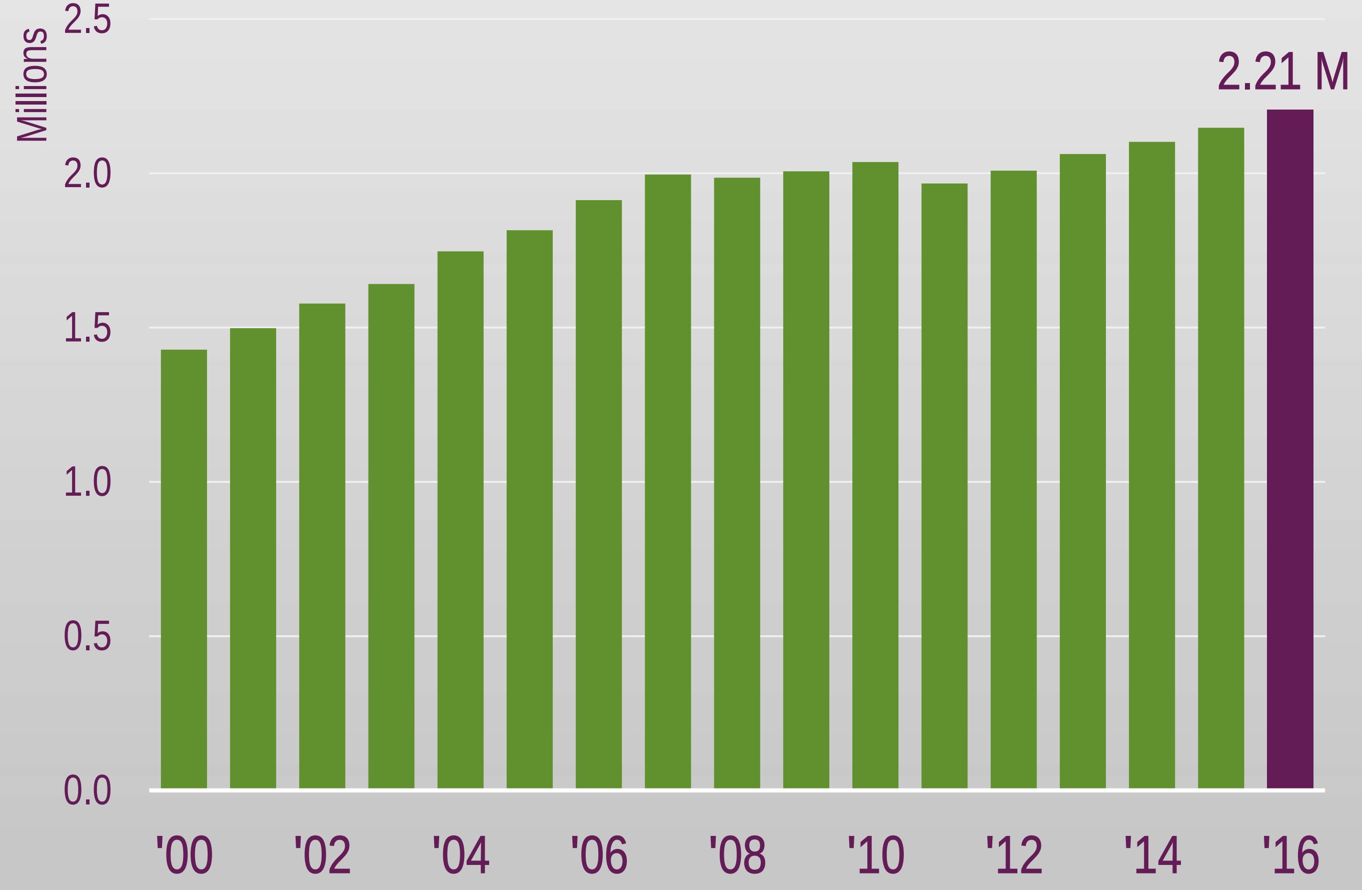
SOUTHERN NEVADA POPULATION

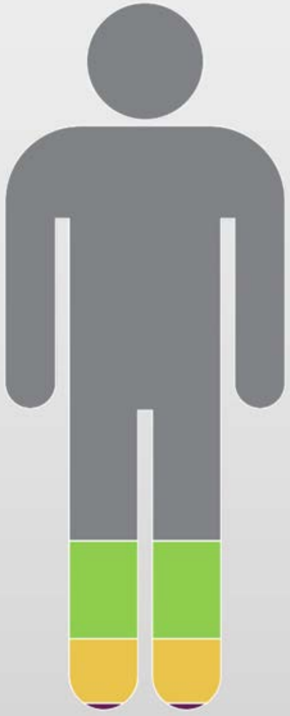
Strong population expansion returns to a community geared for growth

Clark County Population



2000 Resident Race Shares

Clark County



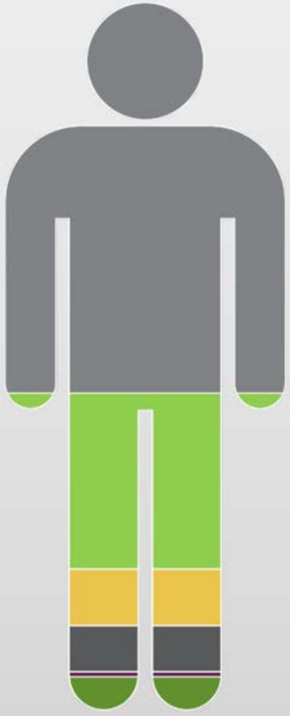
White	72.0%
Hispanic/Latino	13.1%
Black/African American	8.6%
American Indian/Alaska Native	0.9%

Source: United States Census Bureau and Clark County Comprehensive Planning

Clark County Population

2006 Resident Race Shares

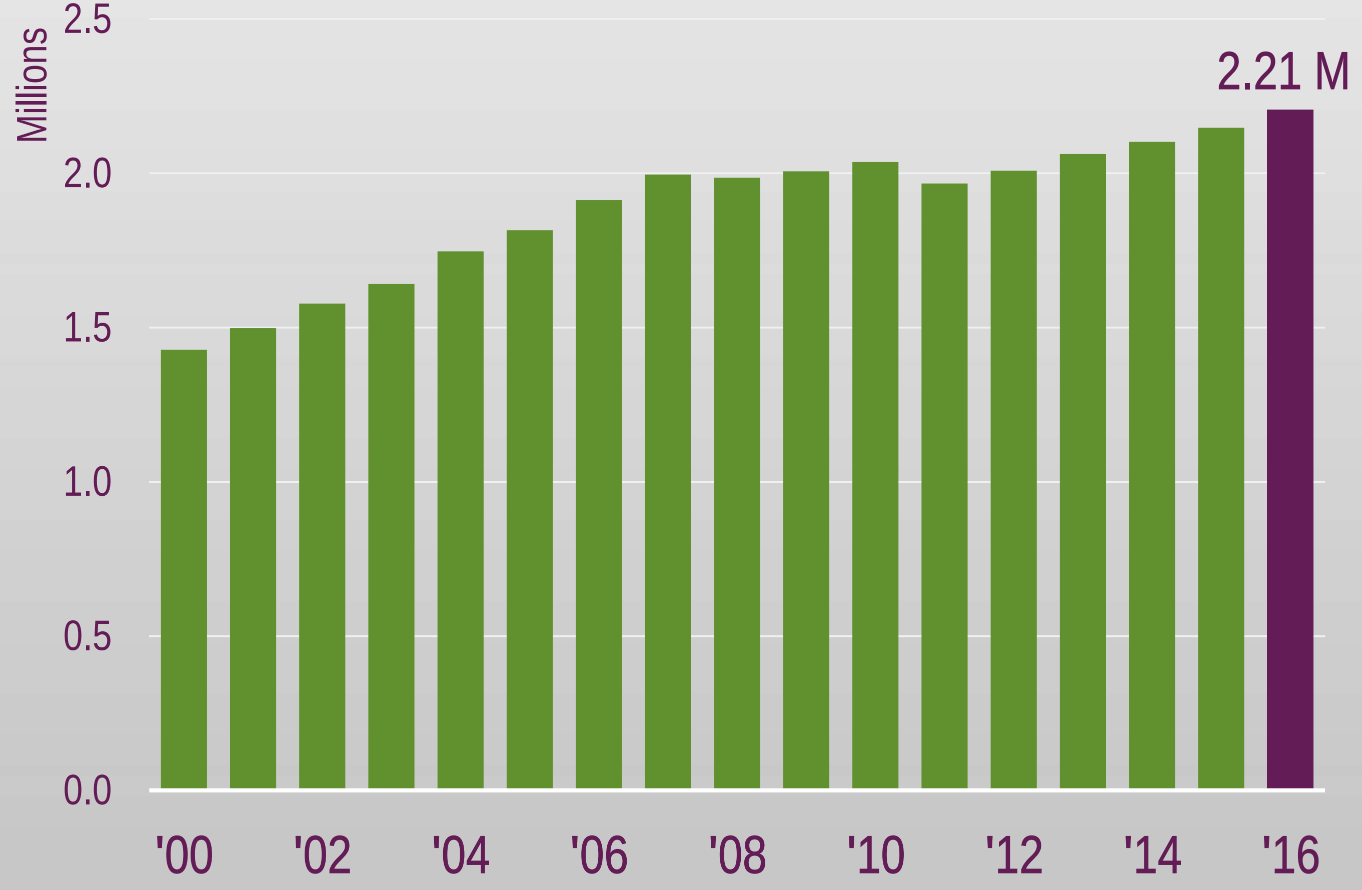
Clark County



White	55.2%
Hispanic/Latino	24.9%
Black/African American	8.0%
Asian	6.5%
American Indian/Alaska Native	0.7%
Other	4.7%

Source: United States Census Bureau and Clark County Comprehensive Planning

Clark County Population



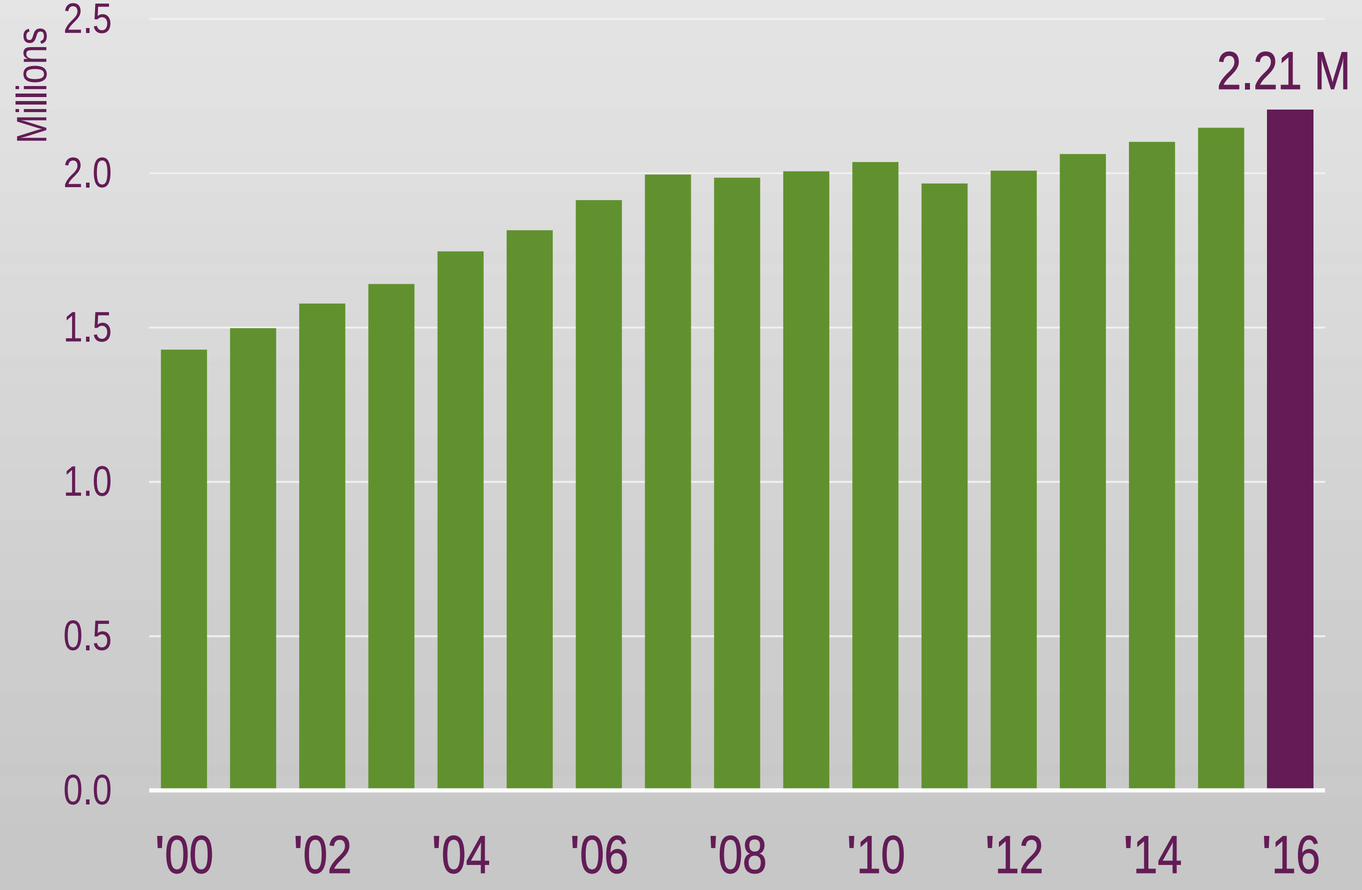
2012 Resident Race Shares

Clark County

White	46.8%
Hispanic/Latino	30.0%
Black/African American	10.0%
Asian	8.7%
American Indian/Alaska Native	0.4%
Native Hawaiian/Pacific Islander	0.7%
Other/More Than One Race	3.4%

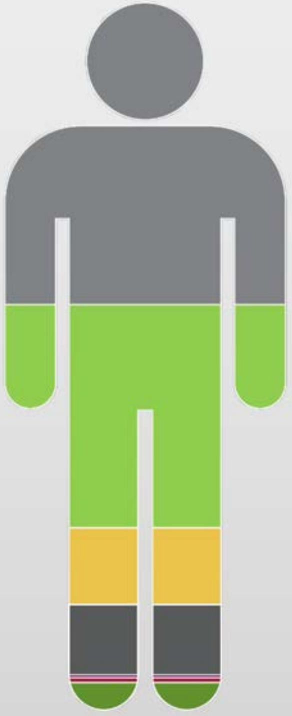
Source: United States Census Bureau and Clark County Comprehensive Planning

Clark County Population



2016 Resident Race Shares

Clark County

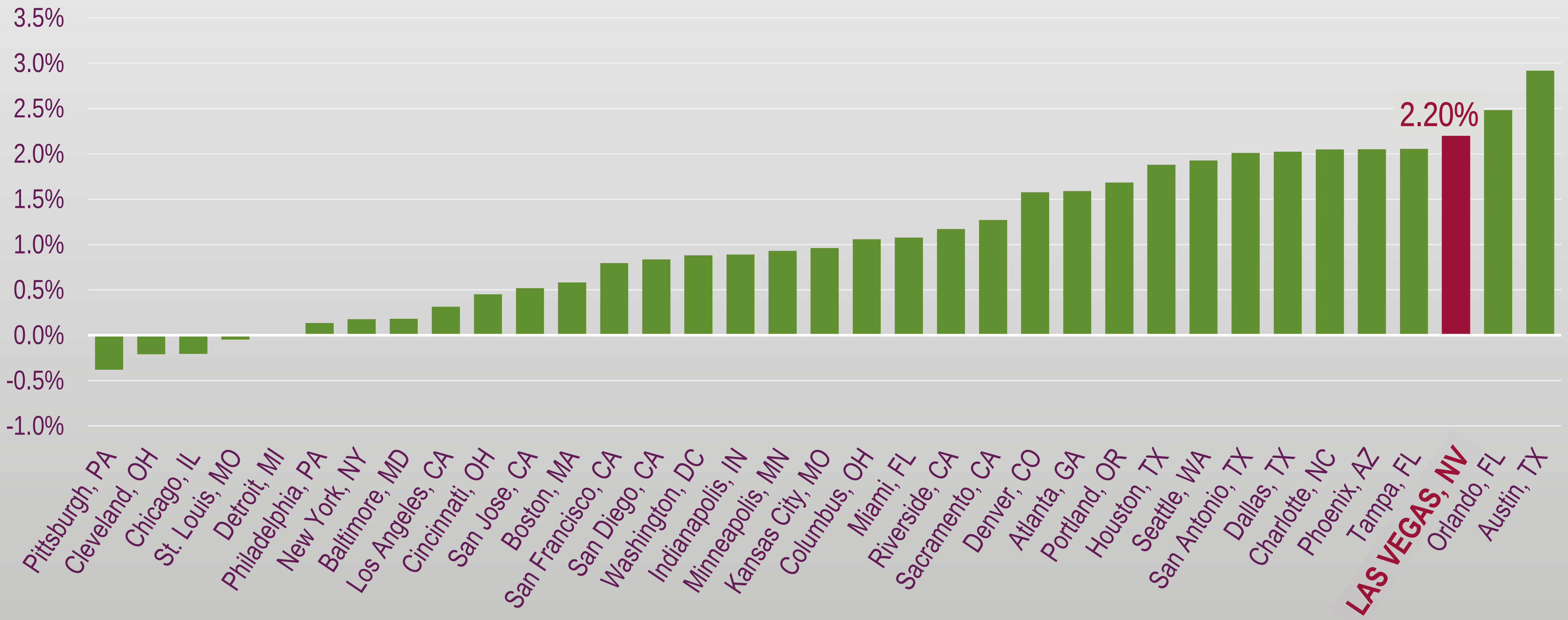


White	43.4%
Hispanic/Latino	31.1%
Black/African American	10.7%
Asian	9.8%
American Indian/Alaska Native	0.4%
Native Hawaiian/Pacific Islander	0.7%
Other/More Than One Race	3.8%

Source: United States Census Bureau and Clark County Comprehensive Planning

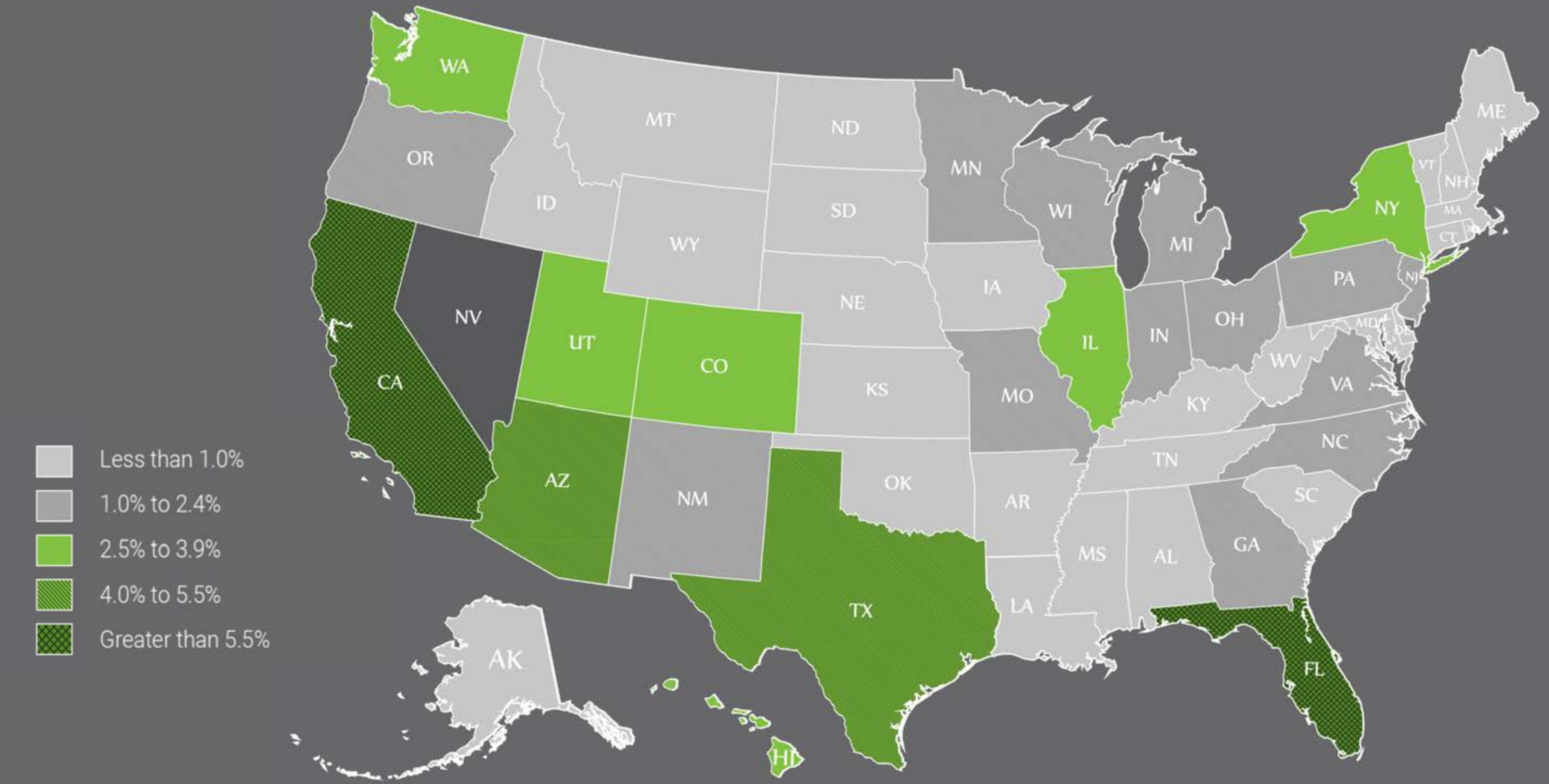
Year-Over-Year Population Growth

Largest 35 MSAs in the United States



Source: United States Census Bureau

Clark County Newcomers
State of Origin

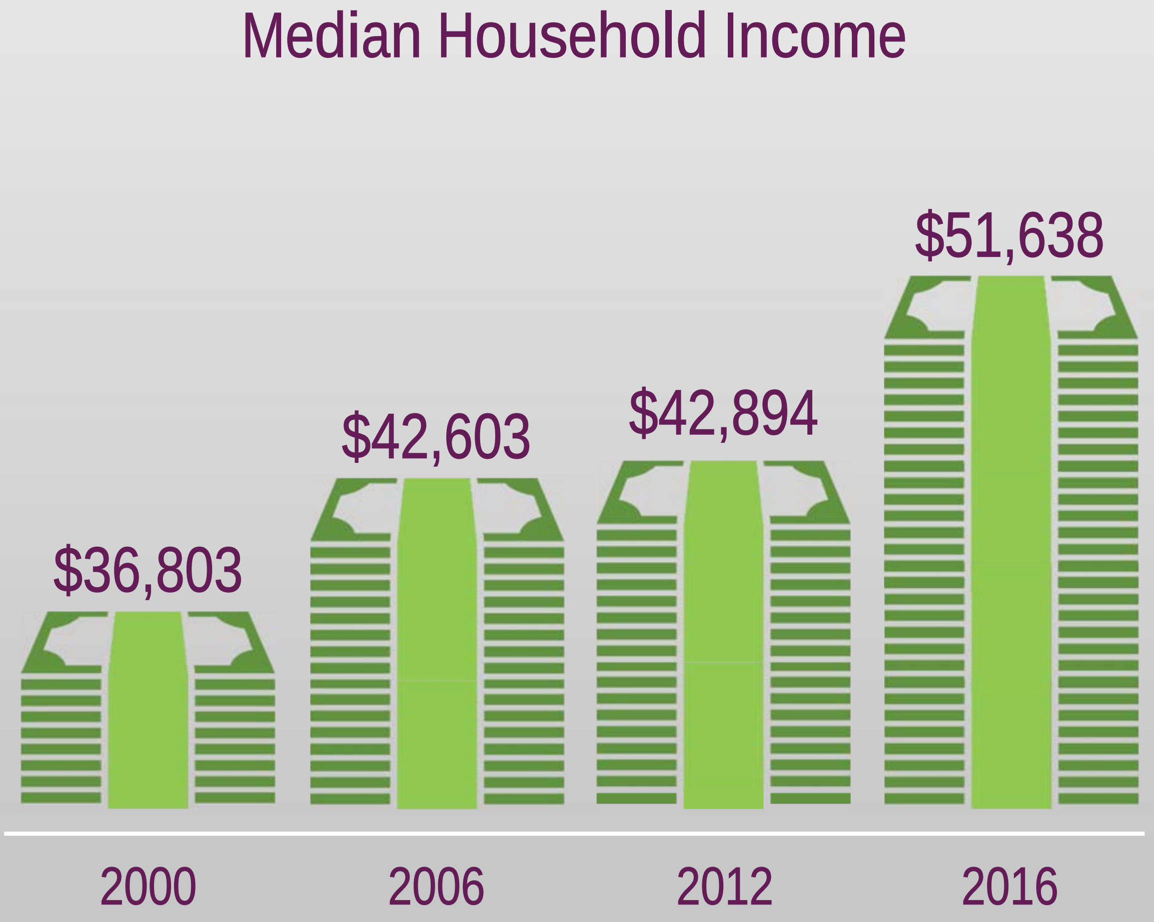


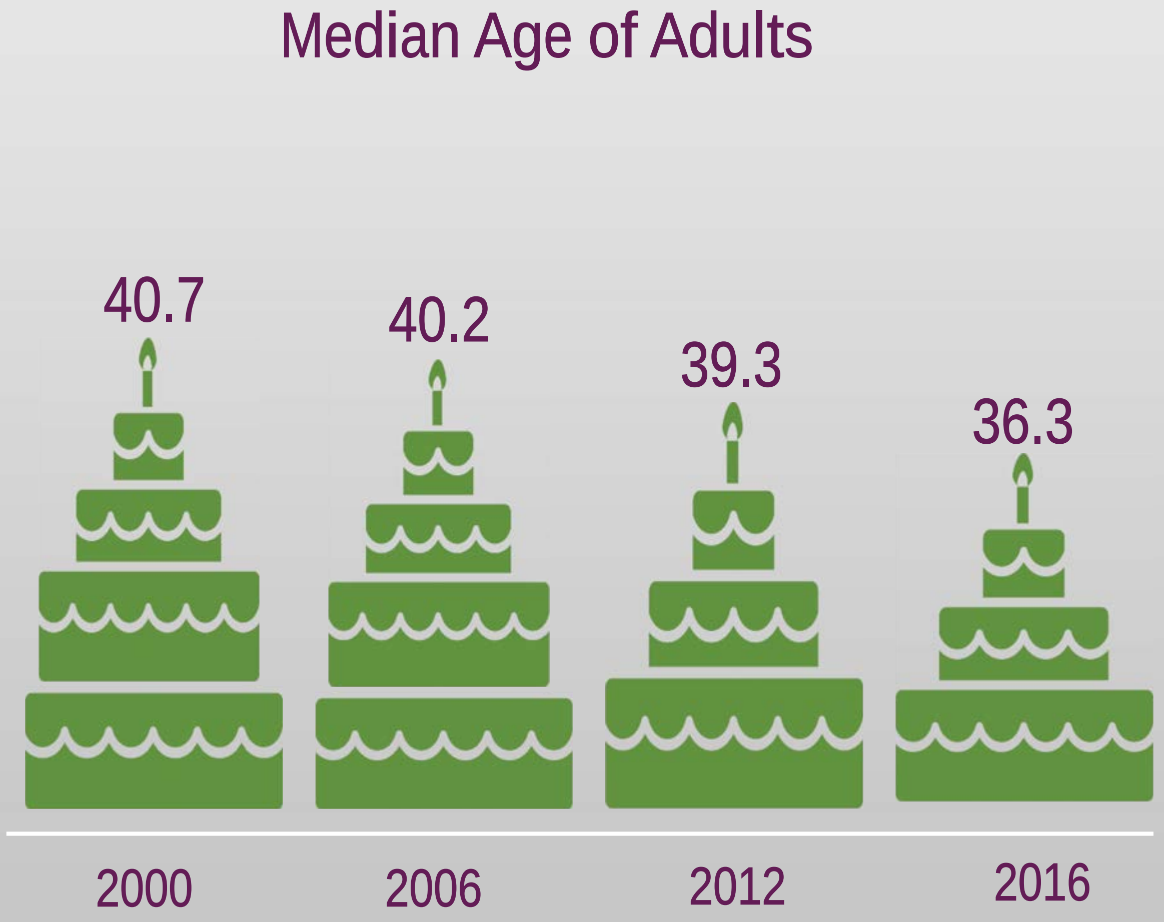
Newcomer
State of Origin

TOP 5

State	Newcomers	Share
California	23,292	33.3%
Florida	4,159	6.0%
Texas	3,625	5.2%
Arizona	3,387	4.8%
Illinois	2,698	3.9%

Clark County Newcomers Through the Years





SOUTHERN NEVADA EMPLOYMENT

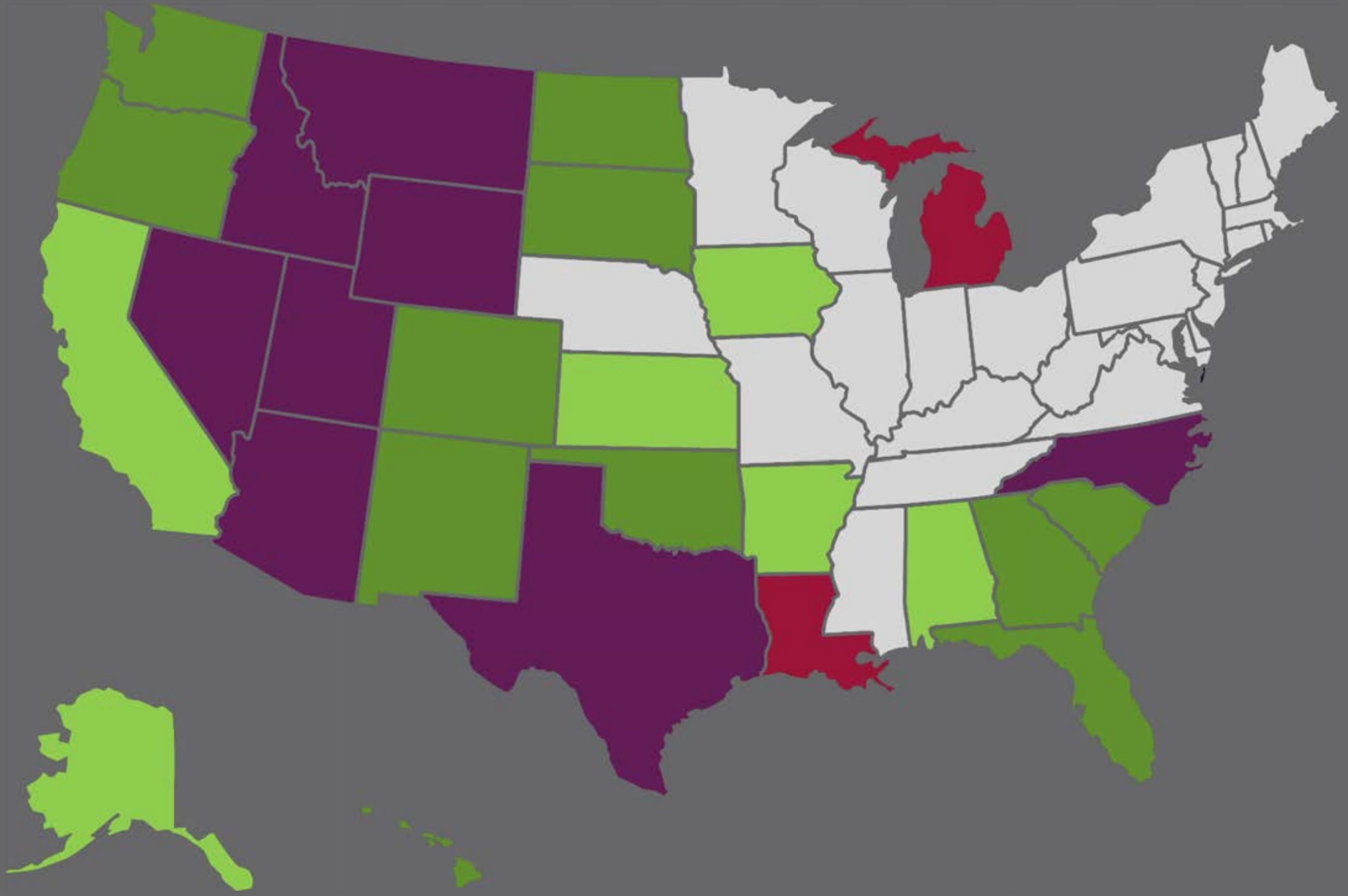
Employment is at peak levels and features more diversity than existed pre-recession

State-to-State Employment Growth Comparison

Trailing 12-Month Average; Year-over-Year

2007

Pre-Recession



- Less than 0.0%
- 0.0% to 1.5%
- 1.5% to 2.0%
- 2.0% to 3.0%
- More then 3.0%

Nevada

+4.3%

5th Fastest

United States

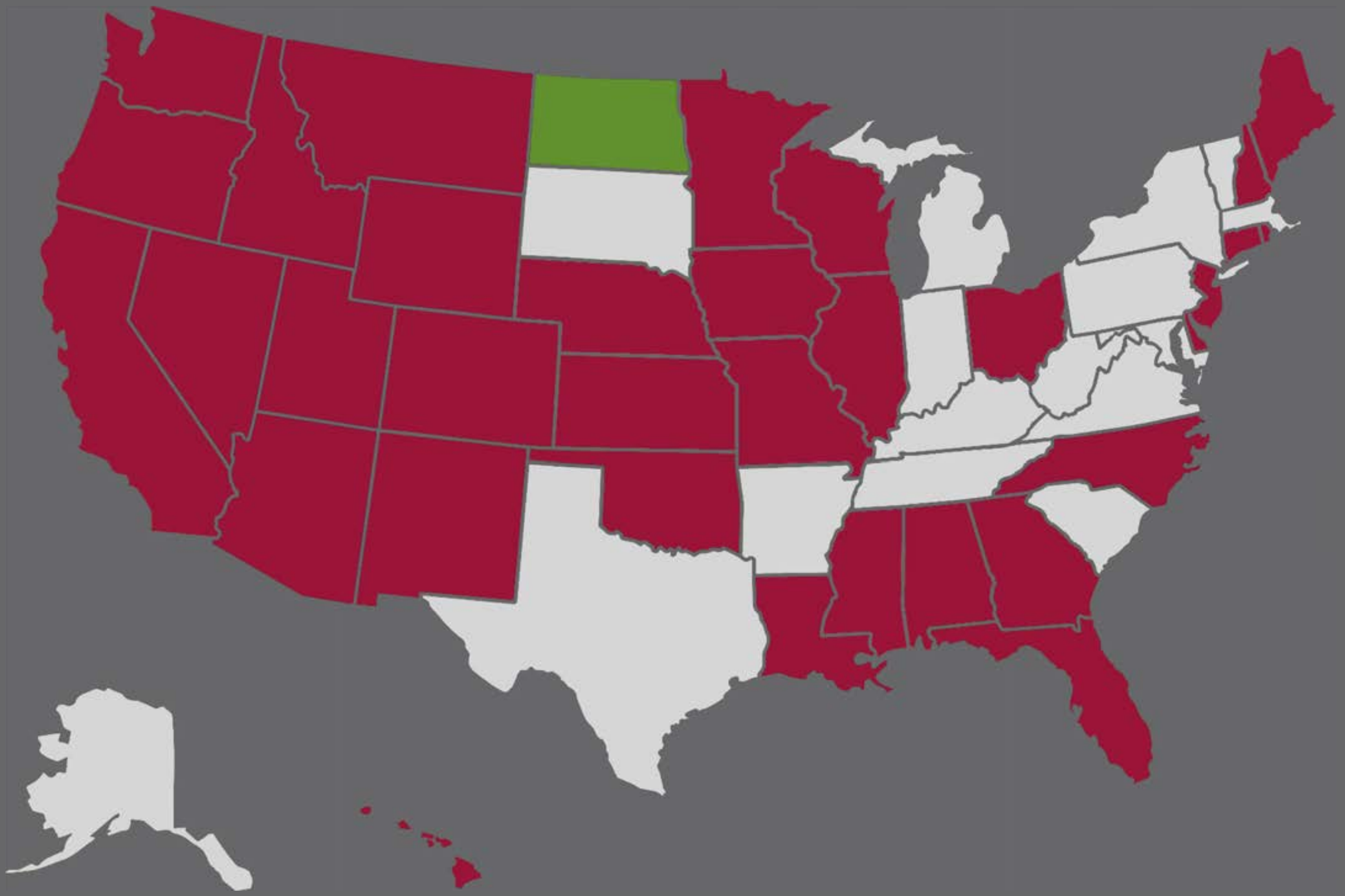
+1.8%

State-to-State Employment Growth Comparison

Trailing 12-Month Average; Year-over-Year

2011

Recession



Less than 0.0%

0.0% to 1.5%

1.5% to 2.0%

2.0% to 3.0%

More then 3.0%

Nevada

-2.1%

50th Lowest

United States

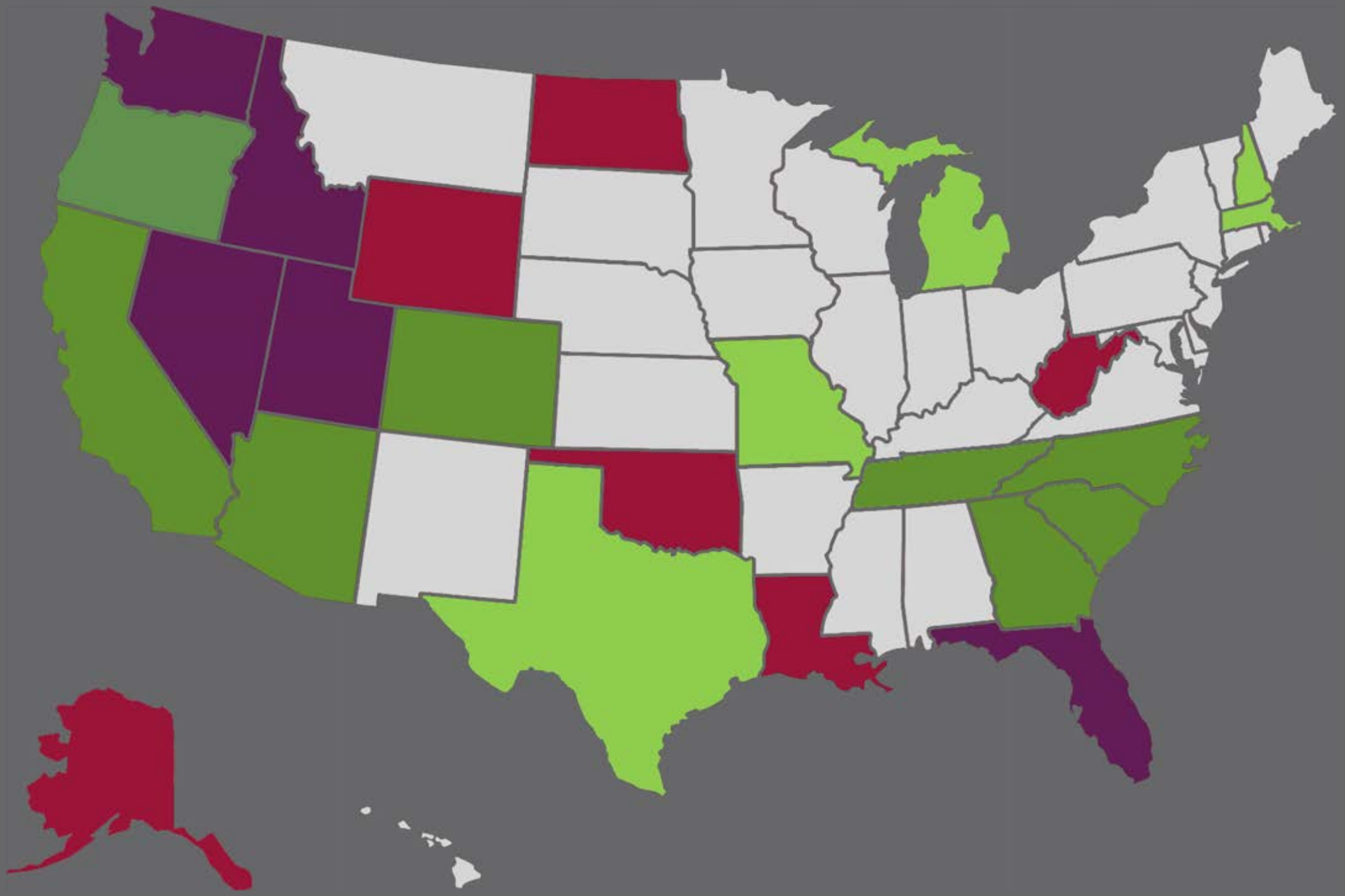
-0.4%

State-to-State Employment Growth Comparison

Trailing 12-Month Average; Year-over-Year

2017

Today



Less than 0.0%	
0.0% to 1.5%	
1.5% to 2.0%	
2.0% to 3.0%	
More then 3.0%	

Nevada

+3.3%

3rd Fastest

United States

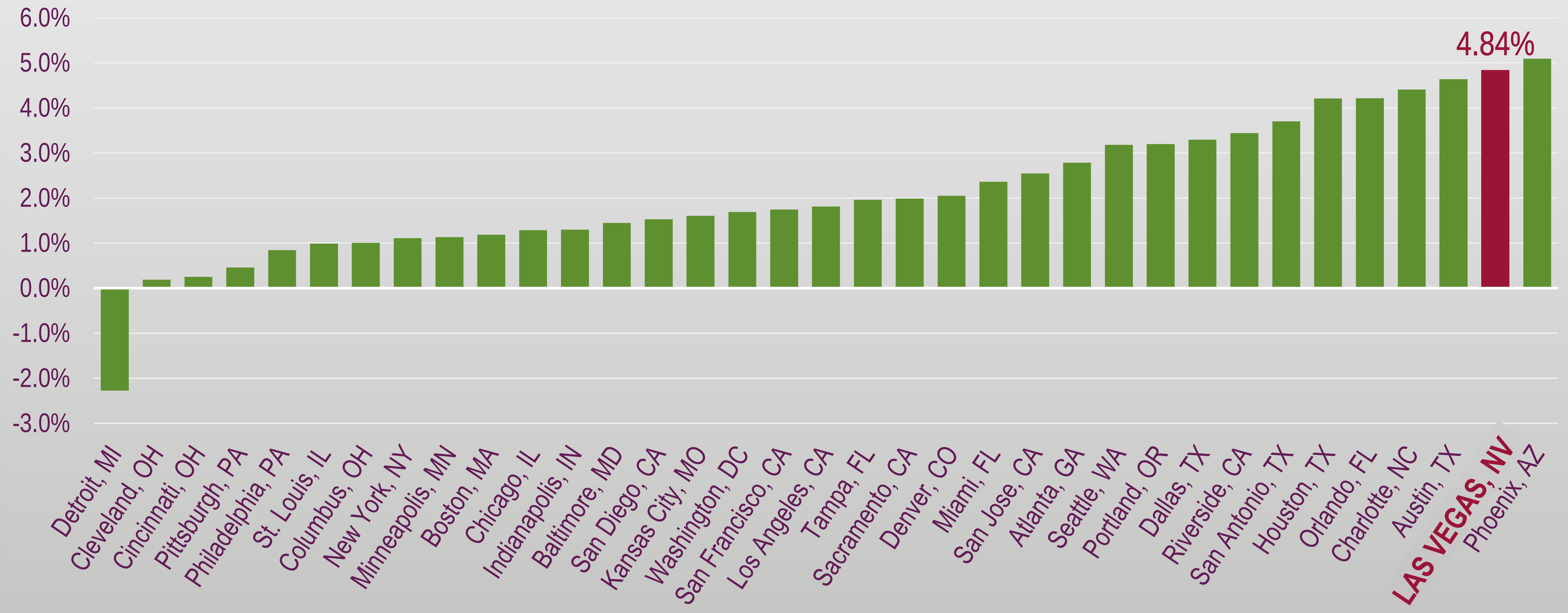
+1.6%

Largest 35 MSAs Employment Growth

Trailing 12-Month Average; Year-over-Year

2007

Pre-Recession

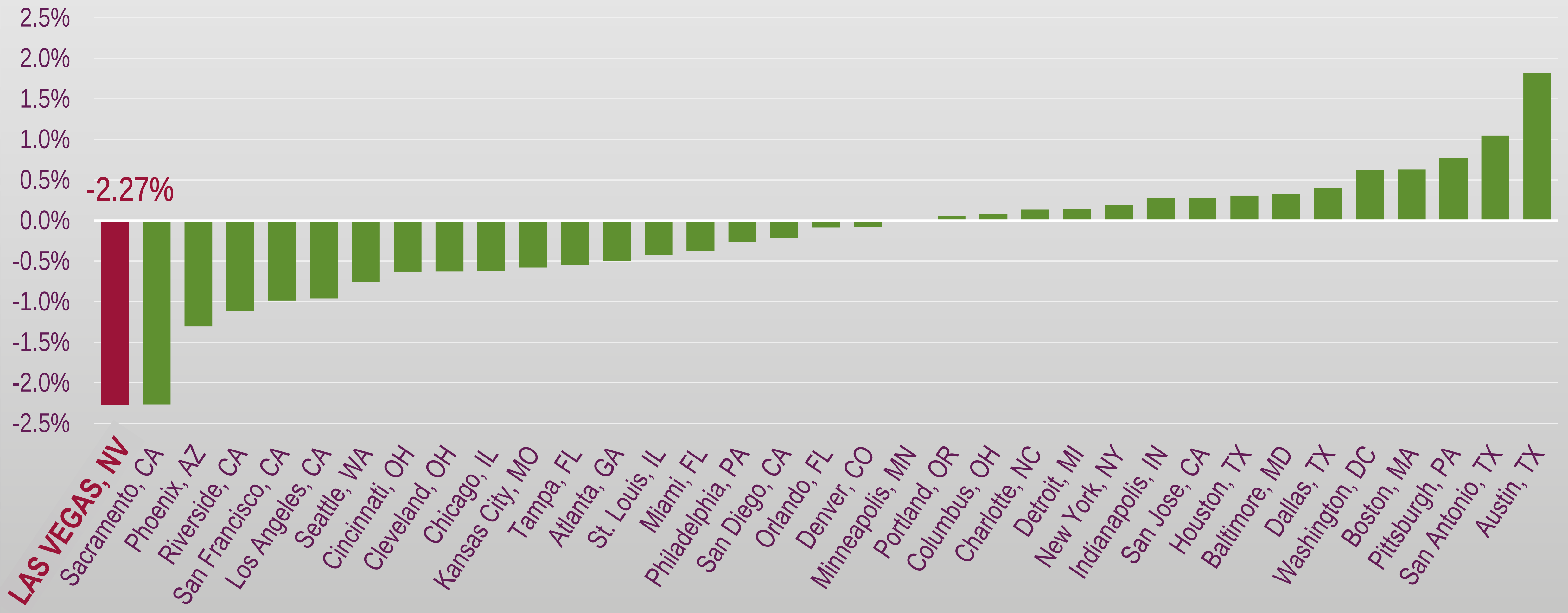


Source: United States Bureau of Labor Statistics

Largest 35 MSAs Employment Growth

Trailing 12-Month Average; Year-over-Year

2011
Recession

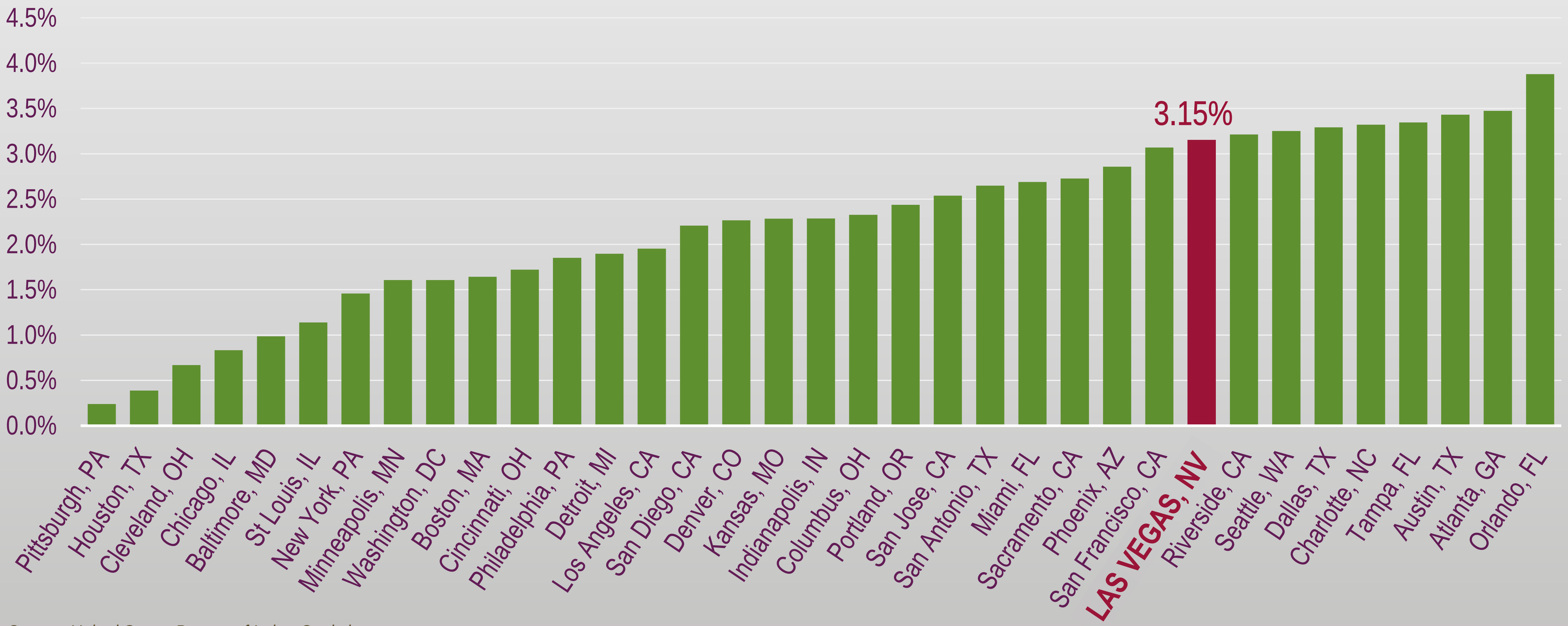


Source: United States Bureau of Labor Statistics

Largest 35 MSAs Employment Growth

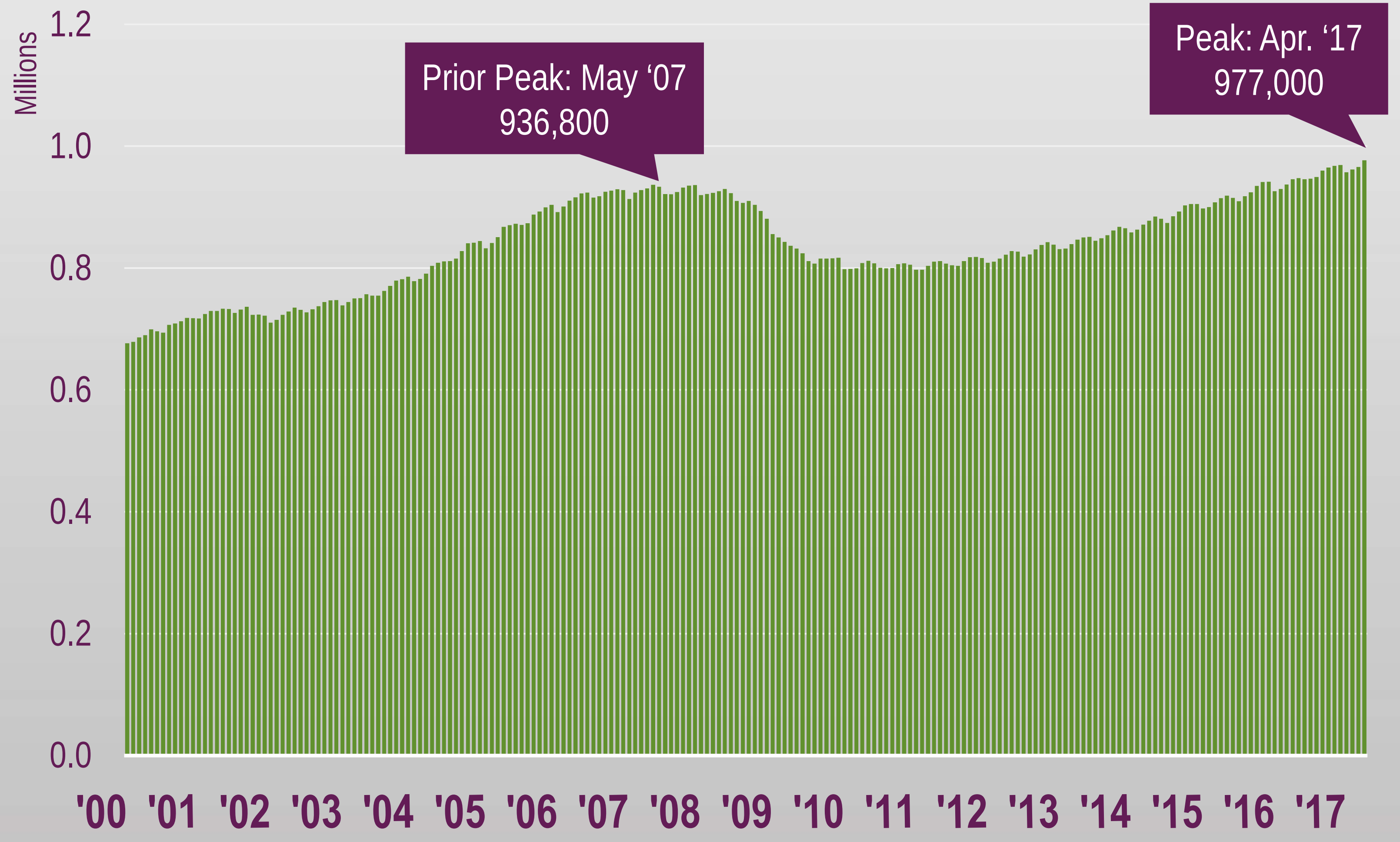
Trailing 12-Month Average; Year-over-Year

2017
Today



Source: United States Bureau of Labor Statistics

Las Vegas MSA Employment



Source: United States Bureau of Labor Statistics

Top Sectors for Job Creation

Past 12 Months

+8,500
Construction

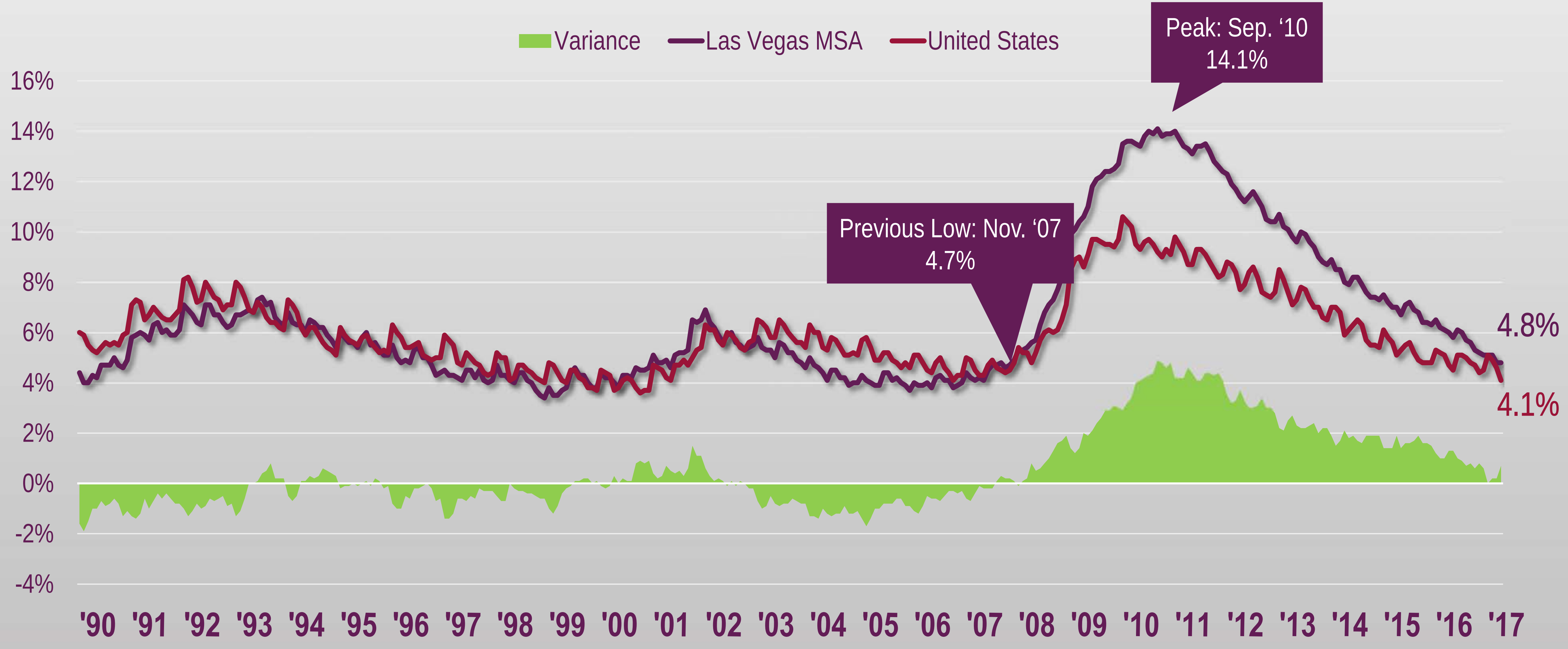
+6,100
Professional & Business Services

+5,800
Leisure & Hospitality

+5,100
Education & Health Services

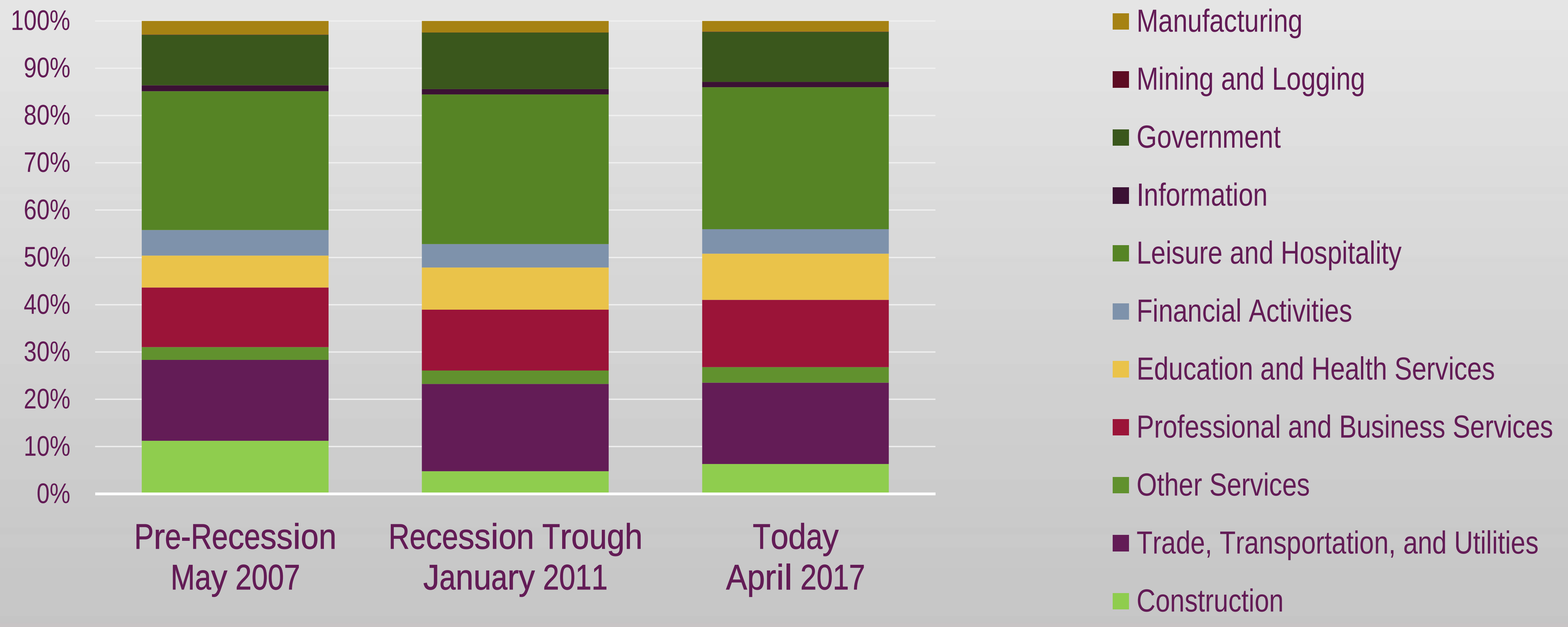
+2,200
Financial Activities

Unemployment Rates



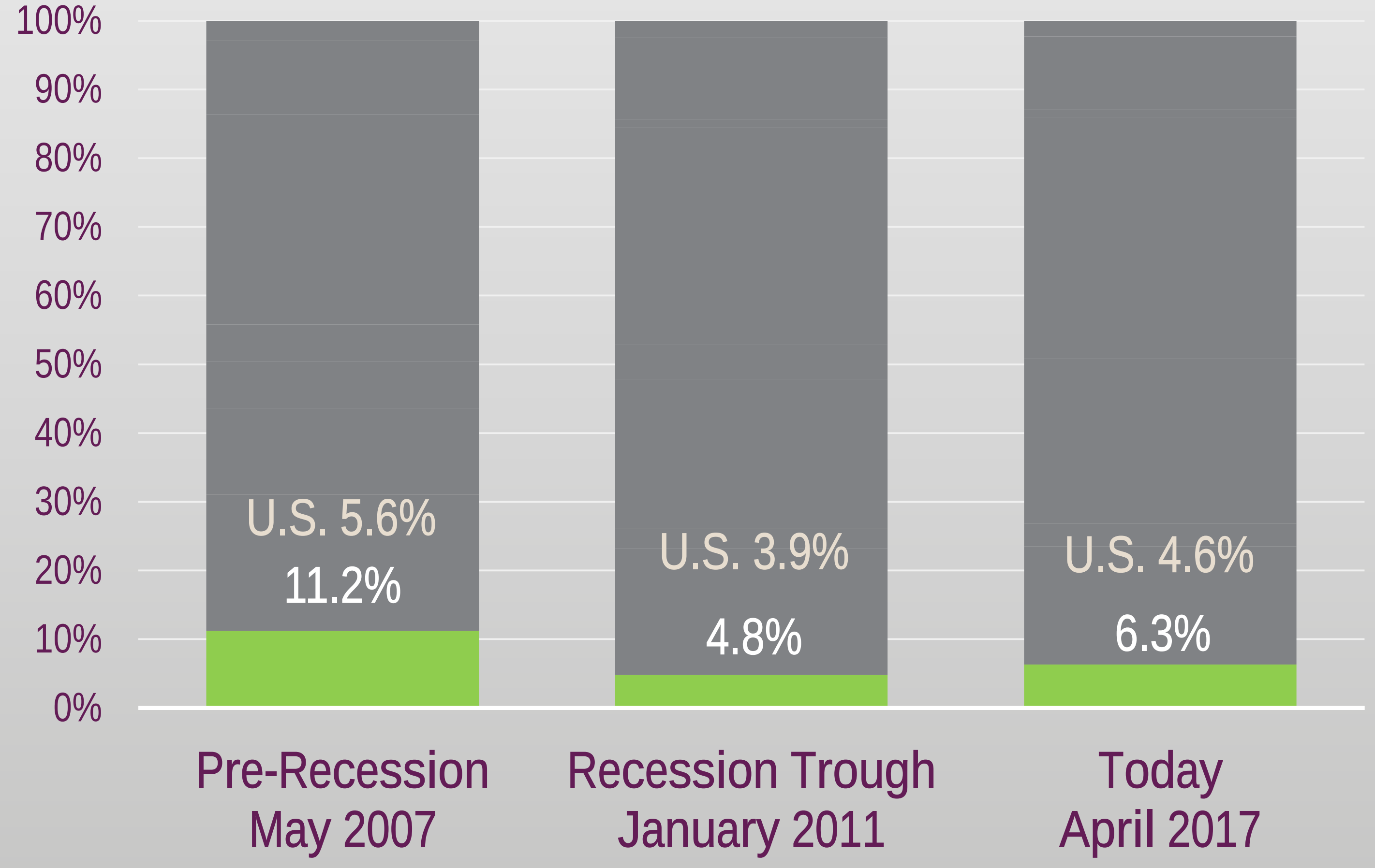
Source: United States Bureau of Labor Statistics

Las Vegas MSA Sector Employment Shares



Source: United States Bureau of Labor Statistics

Las Vegas MSA Sector Employment Shares



A closer look at…

Construction Employment

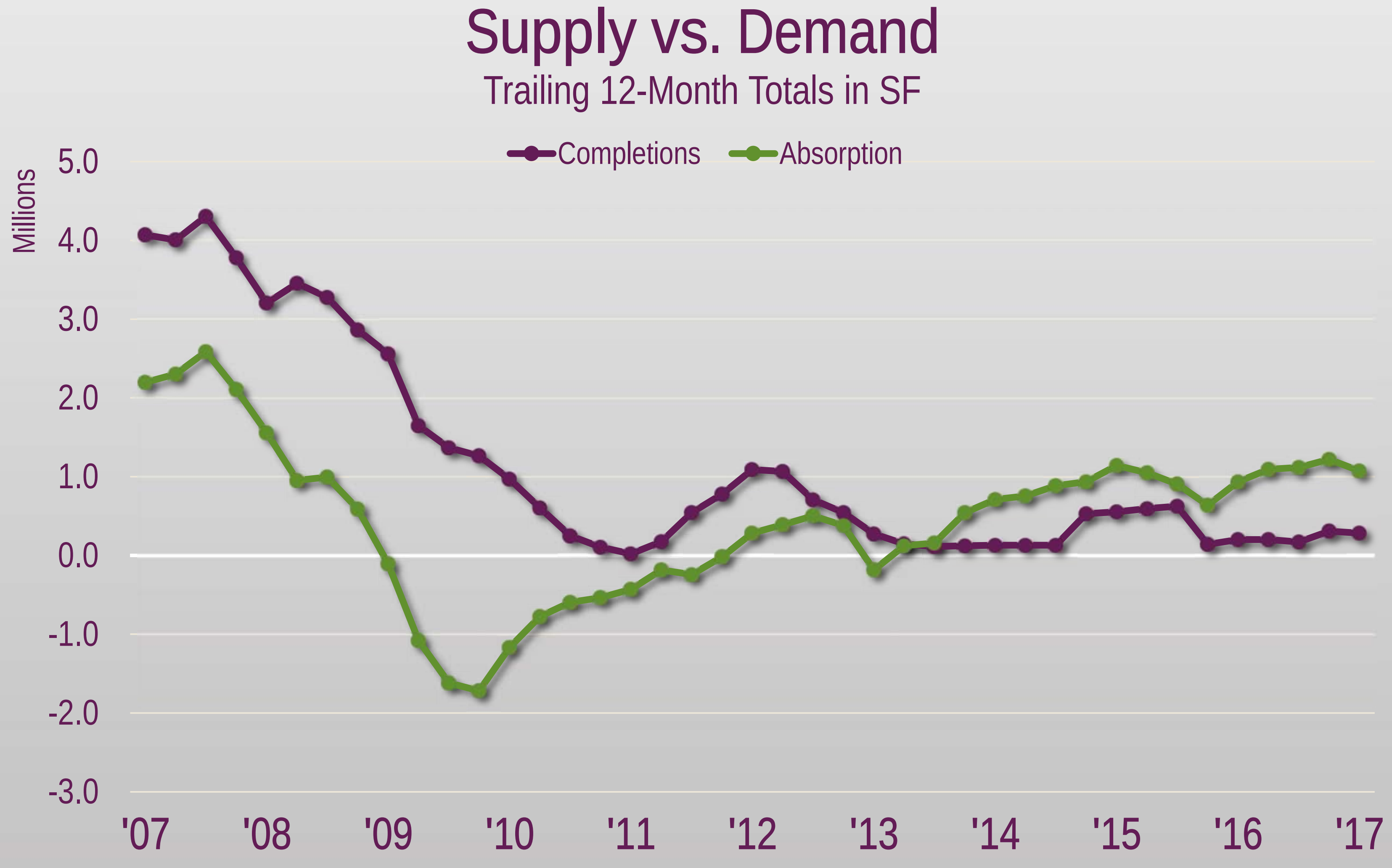
May 2007: 105,200

January 2011: 38,100 (-63.8%)

April 2017: 61,900 (+62.5%)

Source: United States Bureau of Labor Statistics

Office Space Demand Increasing



Source: Applied Analysis

Office Market Highlights

Q1 2017 vs Q1 2016

19.8%
Total Vacancy Rate
-1.6% Year-Over-Year

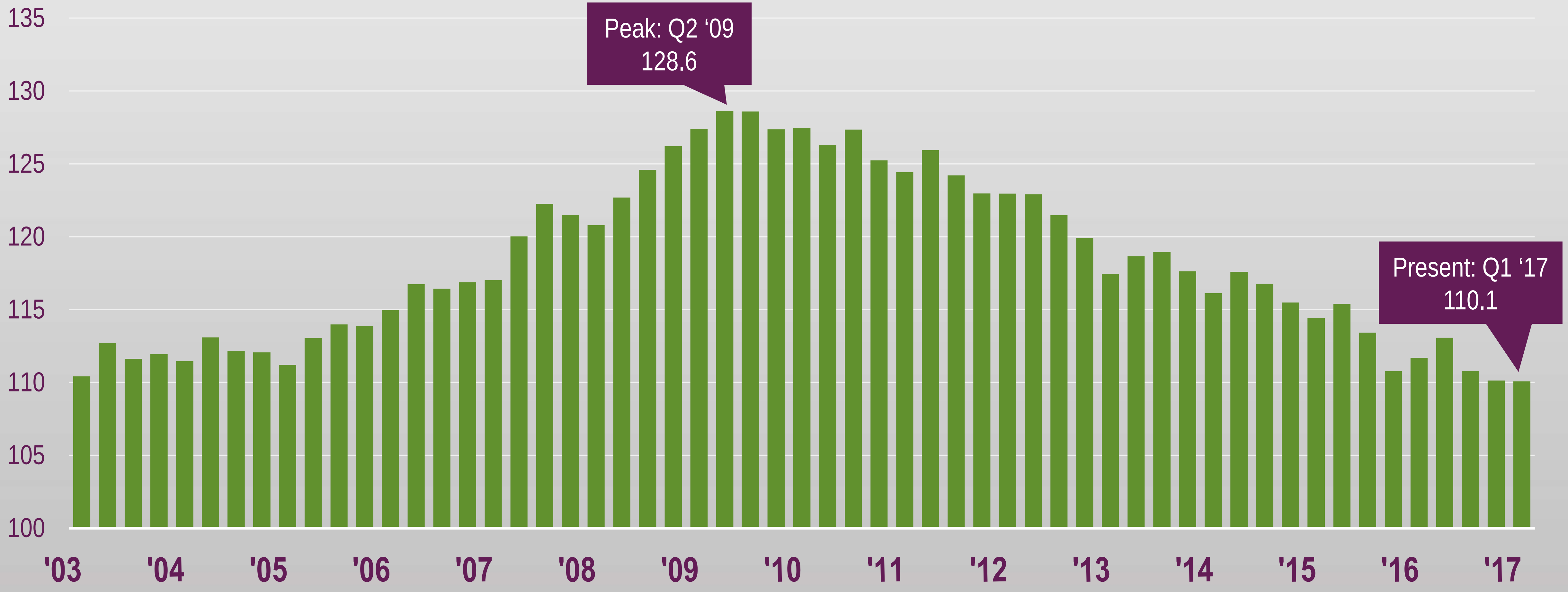
$1.92 per SF
Average Asking Rate
+2.5% Year-Over-Year

397K Employees
Office-Using Employment
+4.0% Year-Over-Year

110 SF/Employee
Occupied Space per Office-Using Employee
-1.4% Year-Over-Year

Occupied Space per Office-using Employee

Las Vegas Area



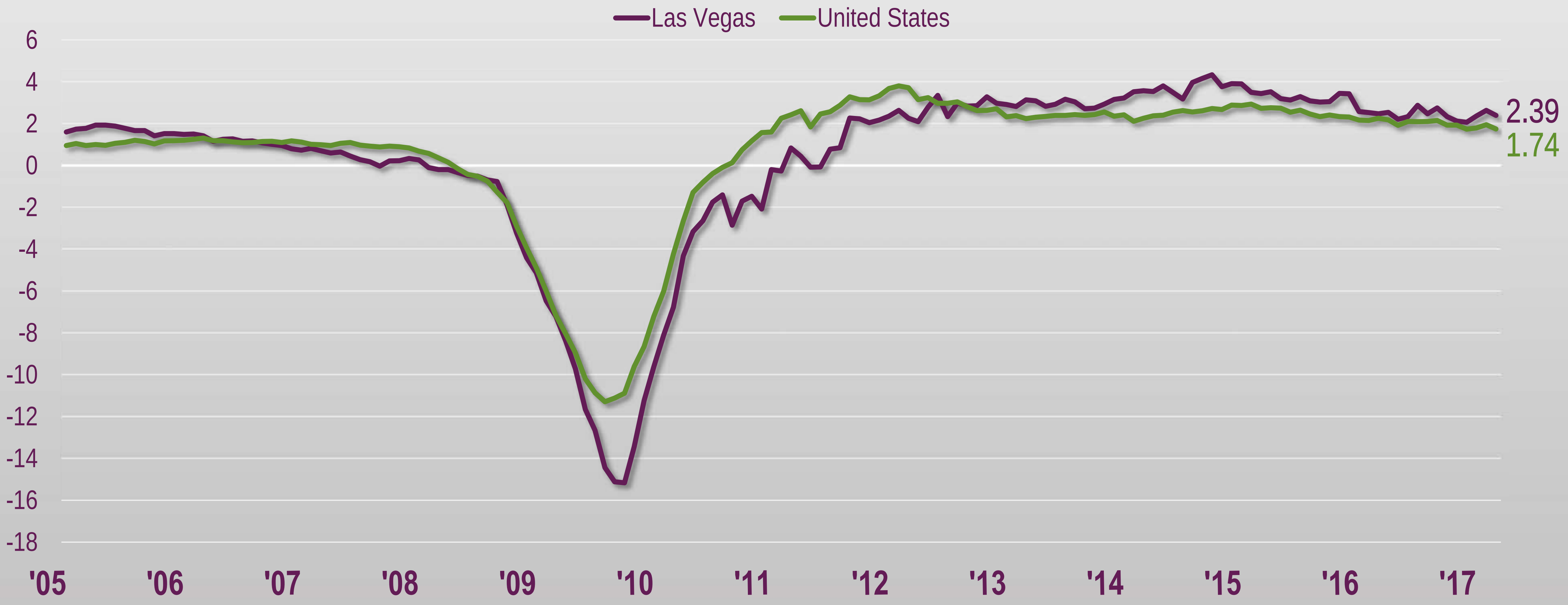
Source: United States Bureau of Labor Statistics and Applied Analysis

Build-to-Suit Office Buildings in the Las Vegas Area

SOUTHERN NEVADA'S HOUSING MARKET

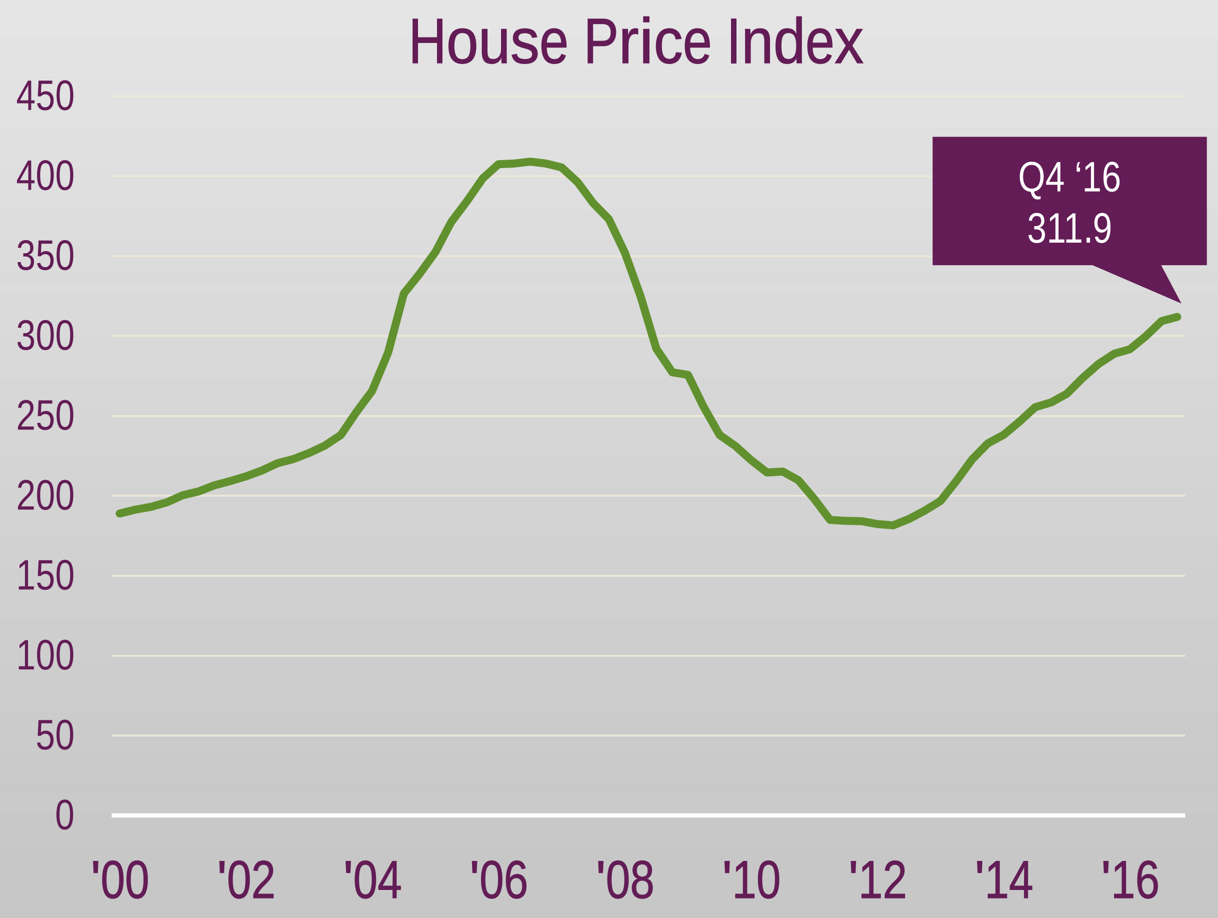
Focused on sustainability and
the balance between supply and demand

Las Vegas Employment Growth to Permit Ratio (E/P)



Source: United States Bureau of Labor Statistics, United States Census Bureau and Applied Analysis

Las Vegas Housing Affordability



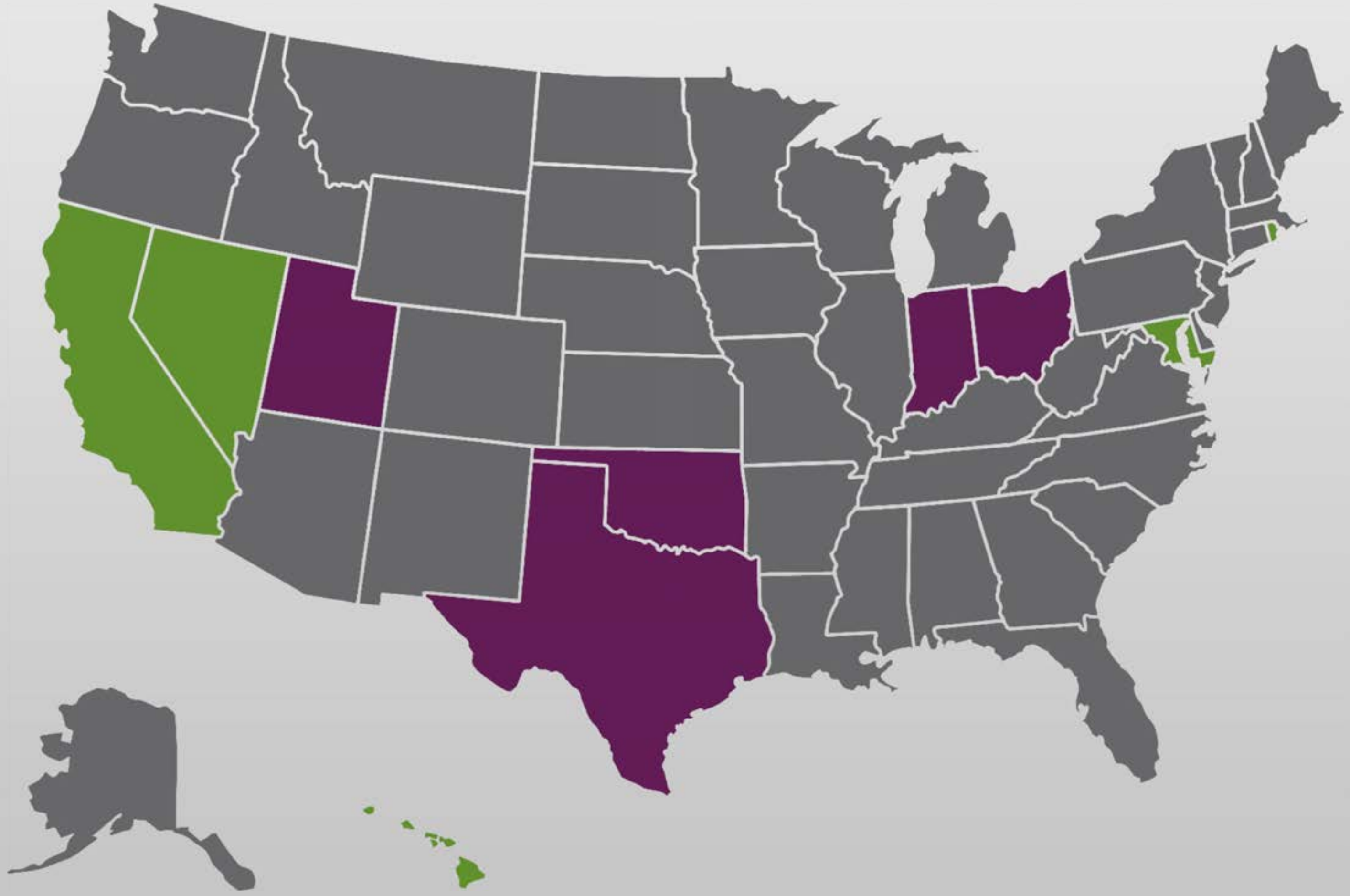
Housing Opportunity Index

Selected Western MSAs

MSA	Q1 '17 Index
Phoenix, AZ	67.9
LAS VEGAS, NV	65.4
Salt Lake City, UT	61.9
Sacramento, CA	45.8
Portland, OR	44.2
Riverside, CA	37.7
San Diego, CA	21.3
San Jose, CA	21.3
Los Angeles, CA	11.9
San Francisco, CA	11.8

Source: Federal Housing Finance Agency (Quarterly All Transactions Index), National Association of Home Builders and Applied Analysis

Housing Price Appreciation
Q3 ‘04 vs. Q3 ‘03



Top 5

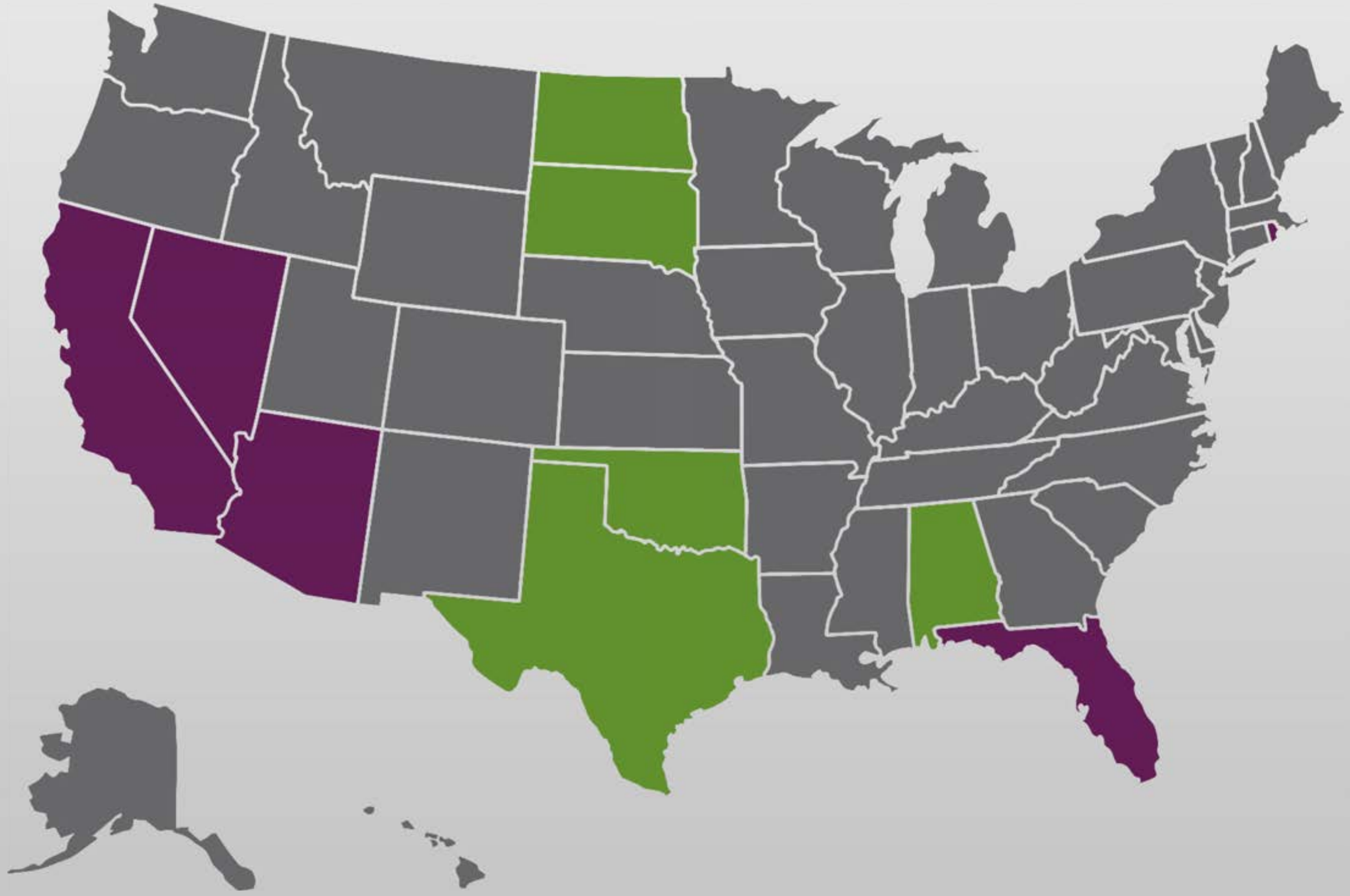
Rank	State	Growth
1	NEVADA	37.2%
2	California	28.5%
3	Hawaii	28.2%
4	Rhode Island	22.0%
5	Maryland	21.8%

Bottom 5

Rank	State	Growth
46	Oklahoma	3.8%
47	Ohio	3.8%
48	Utah	3.3%
49	Indiana	2.9%
50	Texas	2.9%

Source: Federal Housing Finance Agency (Quarterly All Transactions Index); Applied Analysis

Housing Price Appreciation
Q4 ‘08 vs. Q4 ‘07



Top 5

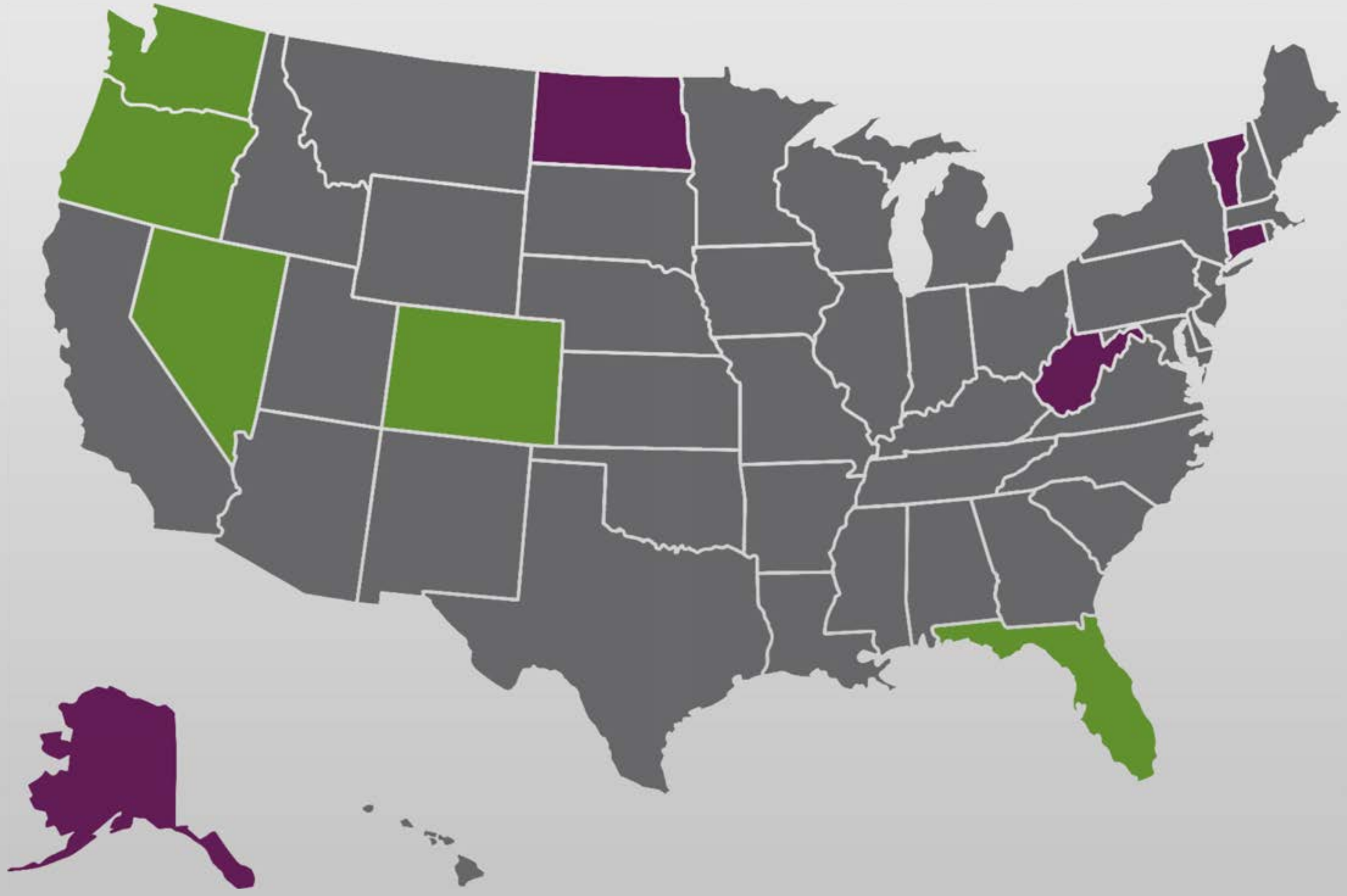
Rank	State	Growth
1	North Dakota	3.0%
2	South Dakota	1.8%
3	Texas	0.8%
4	Oklahoma	0.3%
5	Alabama	0.1%

Bottom 5

Rank	State	Growth
46	Rhode Island	-10.3%
47	Arizona	-18.7%
48	Florida	-21.2%
49	California	-22.5%
50	NEVADA	-25.7%

Source: Federal Housing Finance Agency (Quarterly All Transactions Index); Applied Analysis

Housing Price Appreciation
Q4 ‘16 vs. Q4 ‘15



Top 5

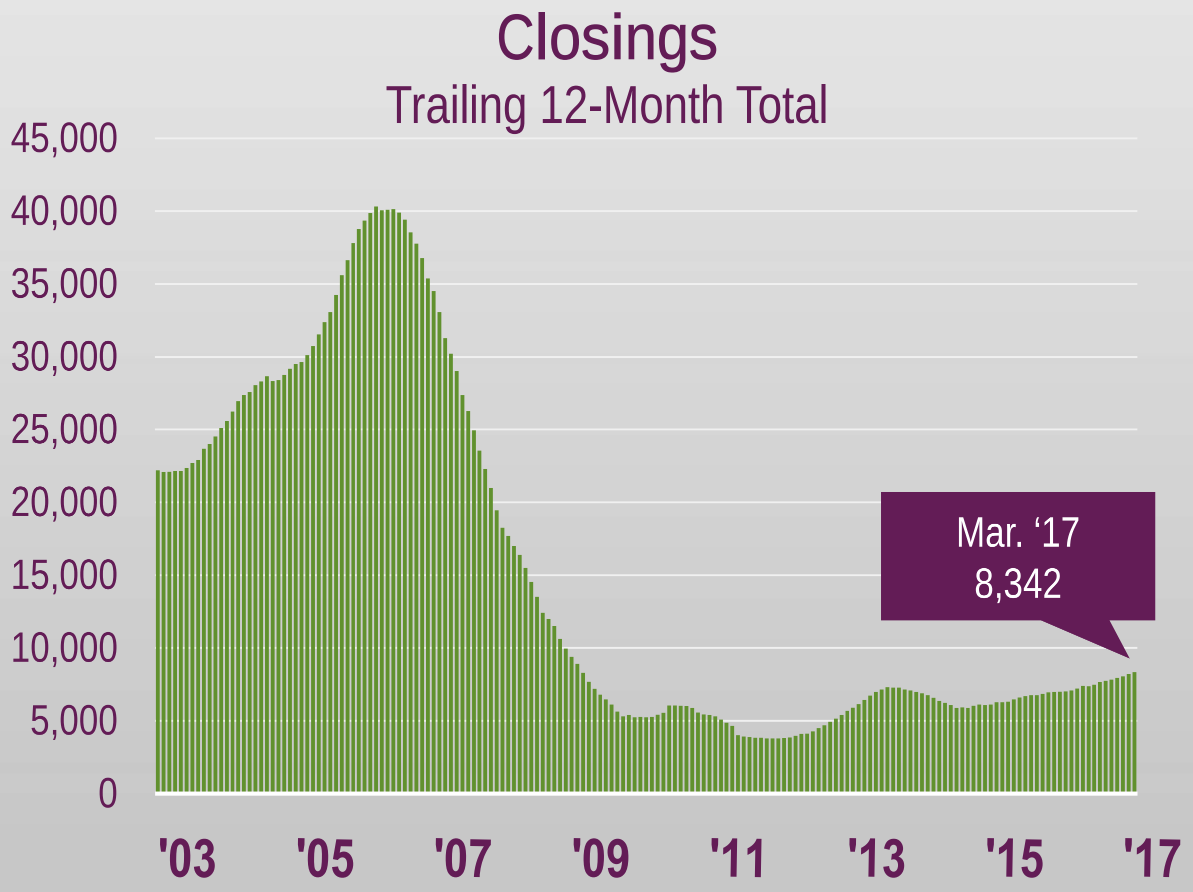
Rank	State	Growth
1	Oregon	10.8%
2	Washington	10.4%
3	Colorado	9.8%
4	Florida	9.2%
5	NEVADA	8.0%

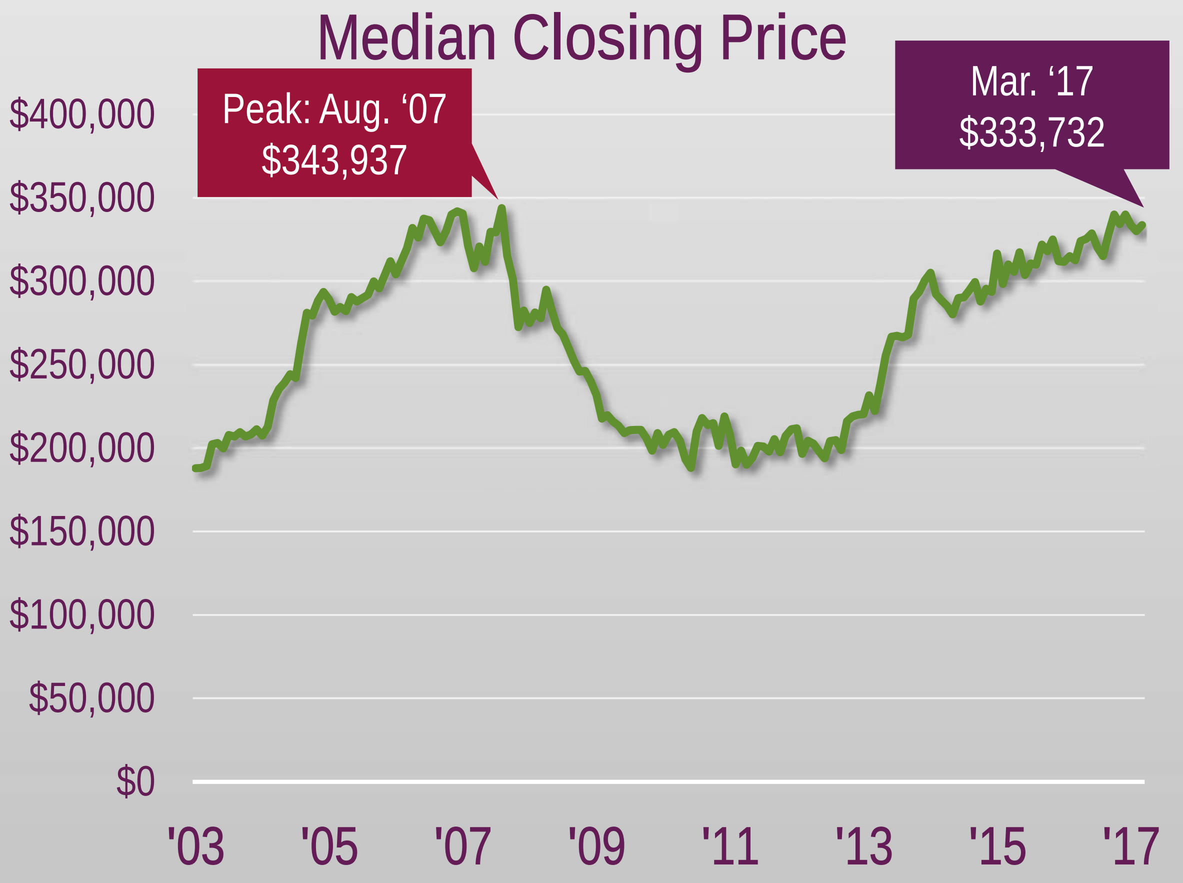
Bottom 5

Rank	State	Growth
46	West Virginia	1.8%
47	Connecticut	1.7%
48	Vermont	1.7%
49	North Dakota	1.5%
50	Alaska	0.4%

Source: Federal Housing Finance Agency (Quarterly All Transactions Index); Applied Analysis

New Home Market
Las Vegas Area



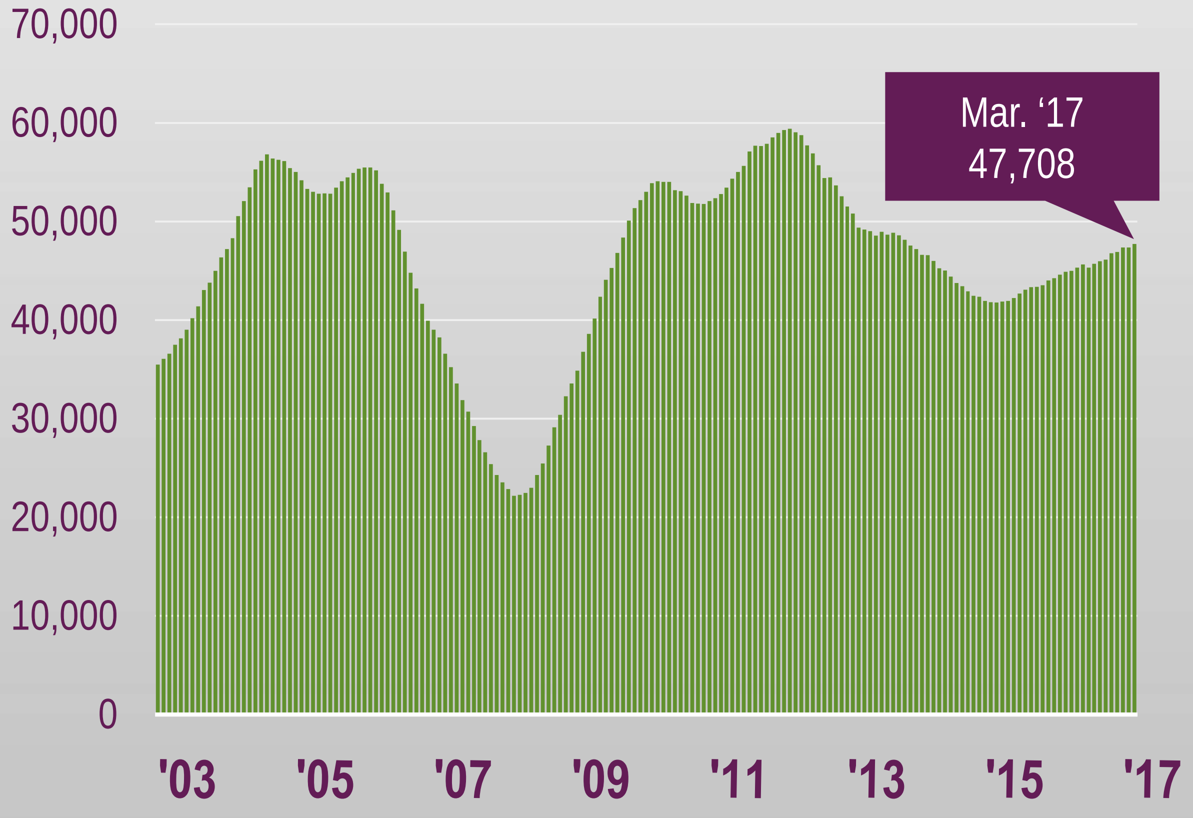


Source: SalesTraq

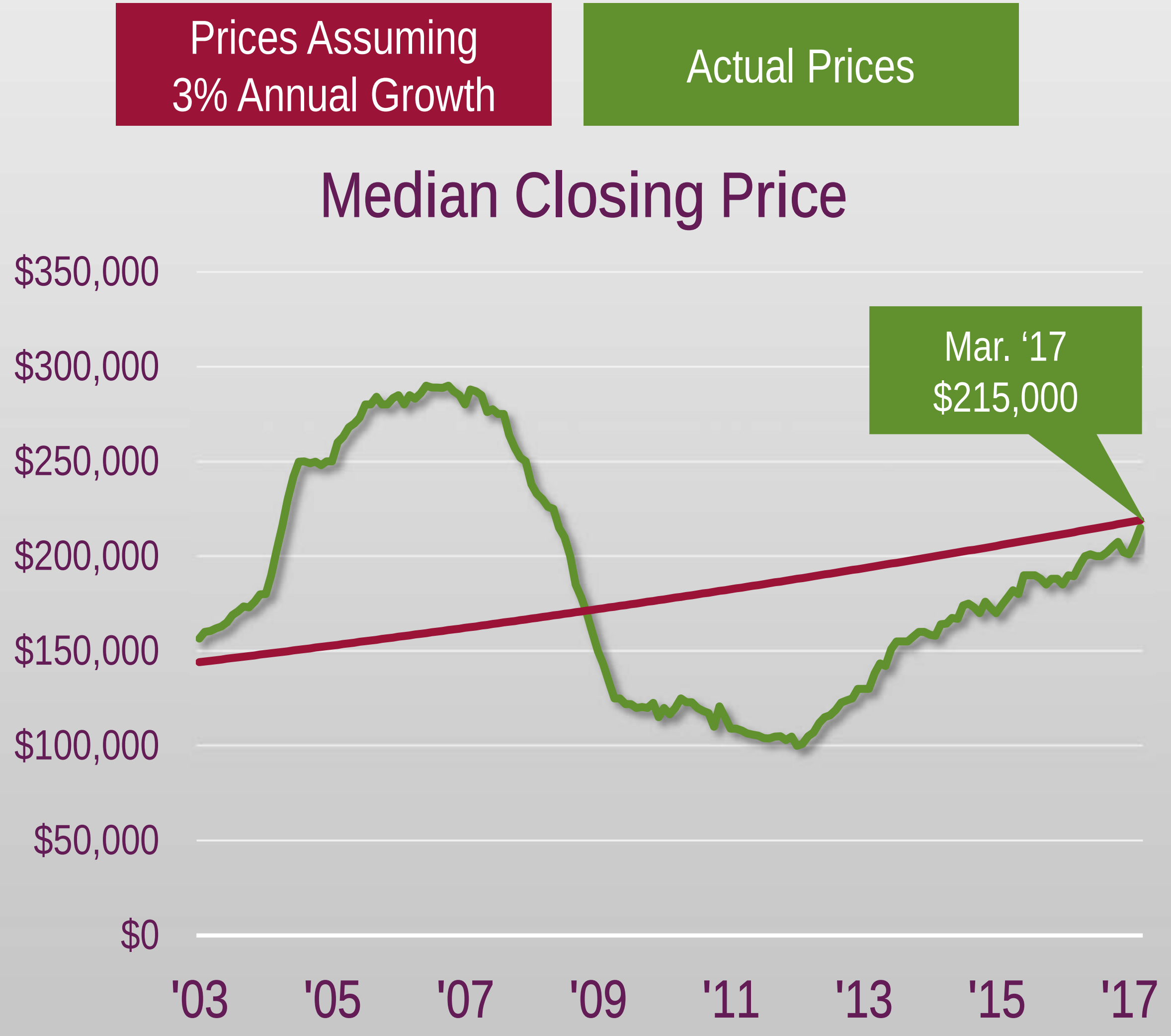
Existing Home Market

Las Vegas Area

Closings



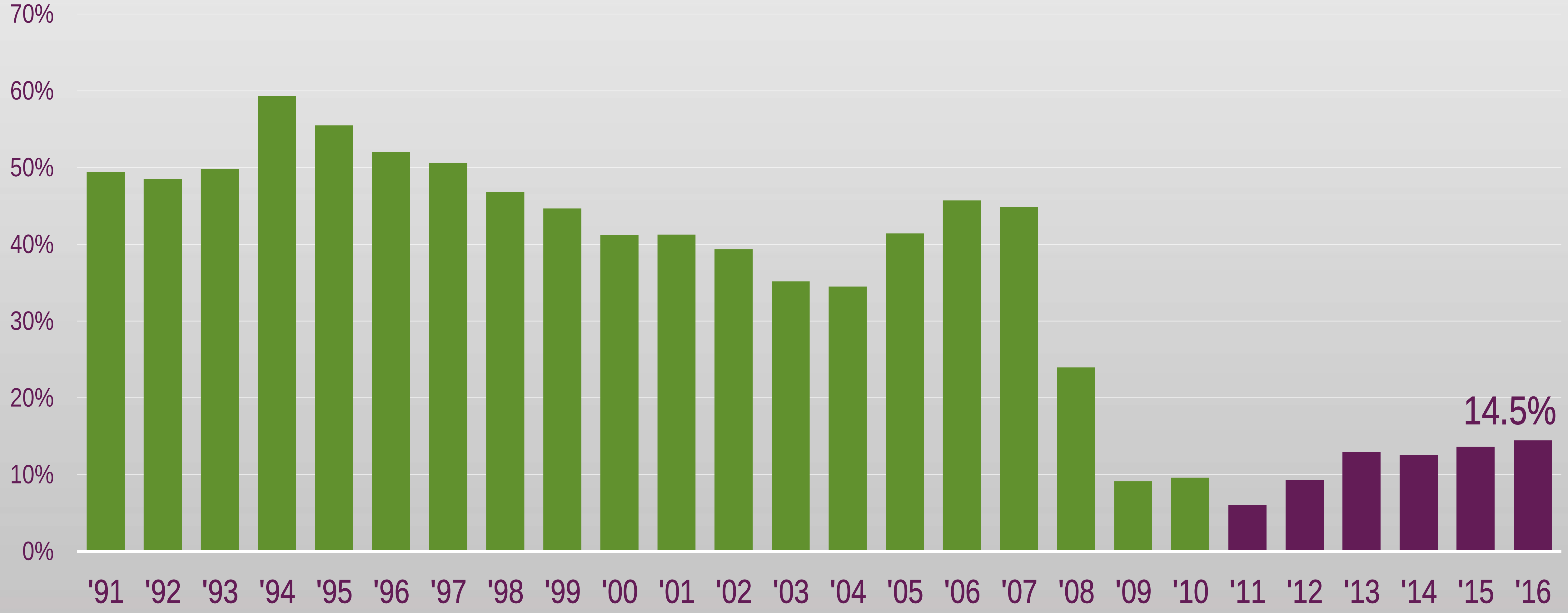
Median Closing Price



Source: SalesTraq and Applied Analysis

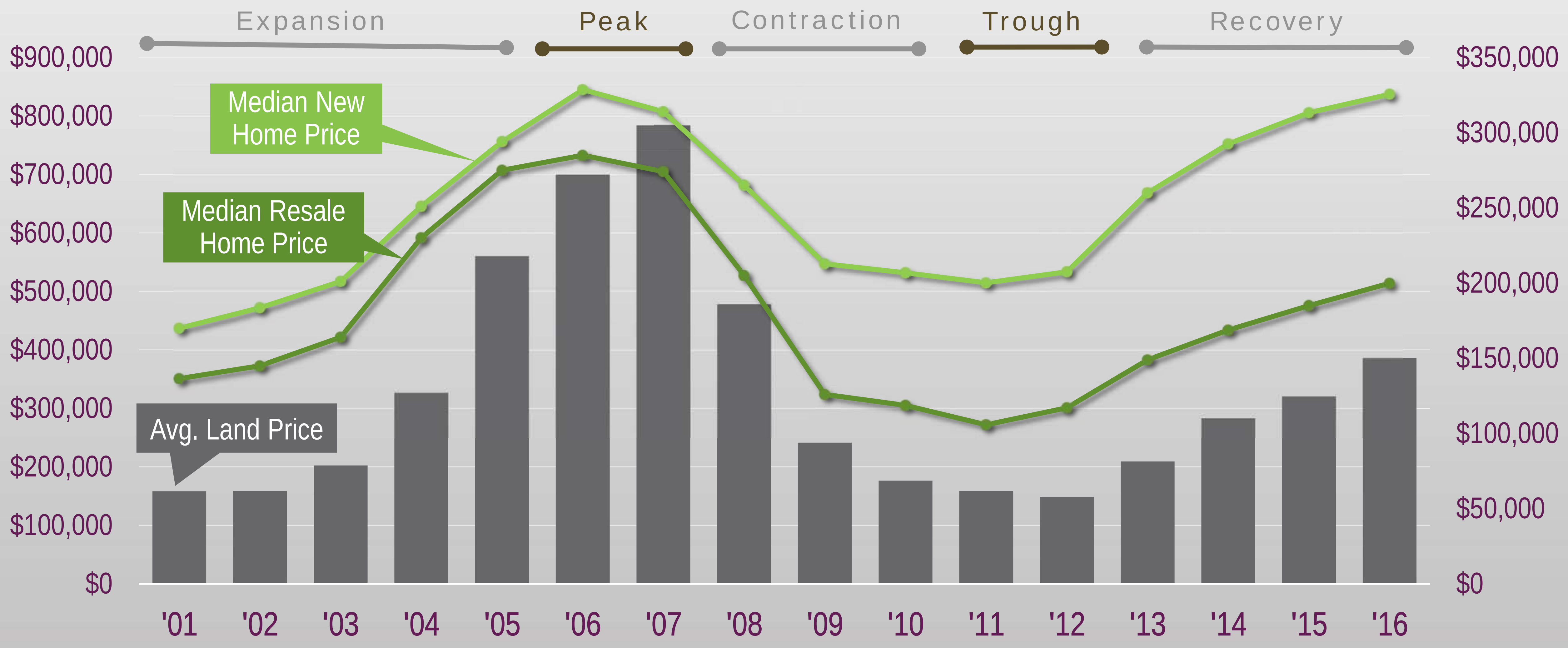
New Home Market Share

As a Percentage of Total Home Sales



Source: Applied Analysis and SalesTraq

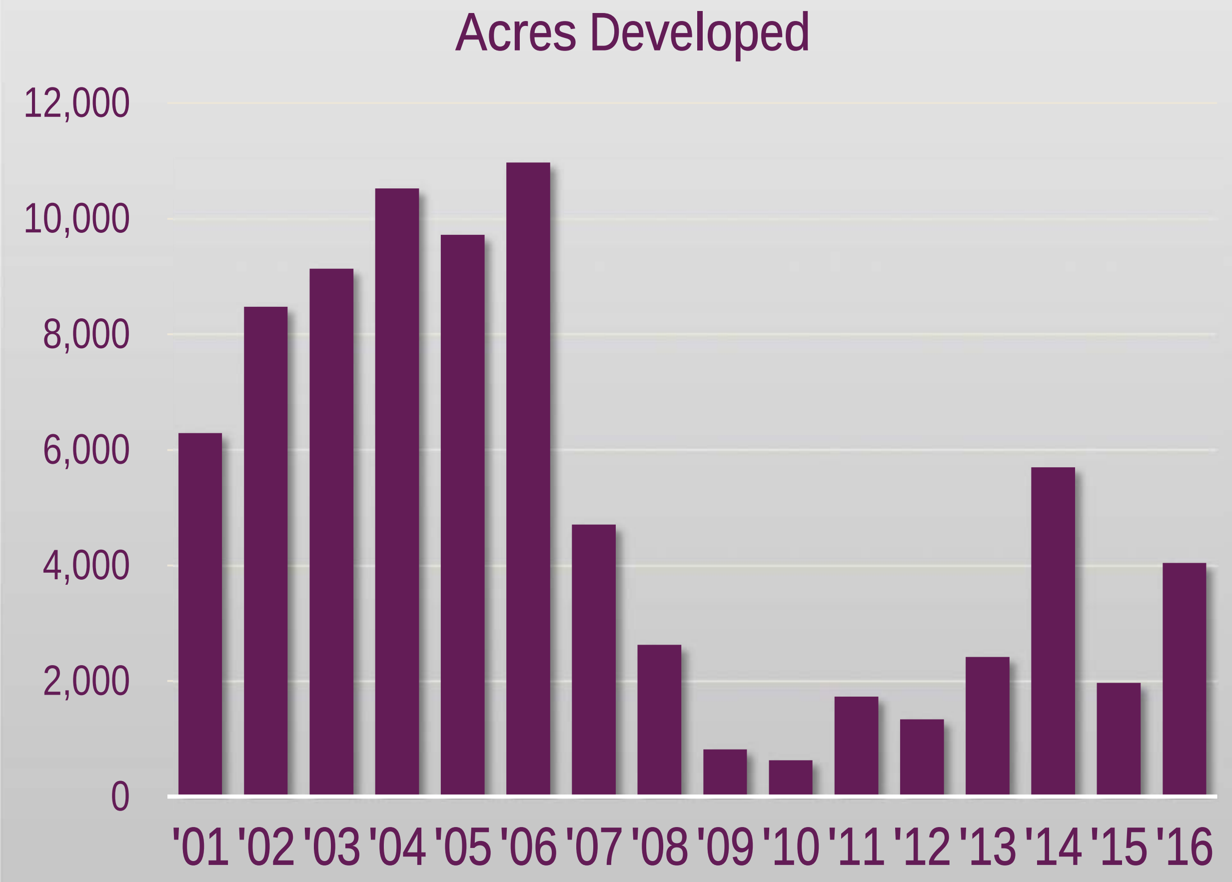
Pricing Trends: Land vs. Homes

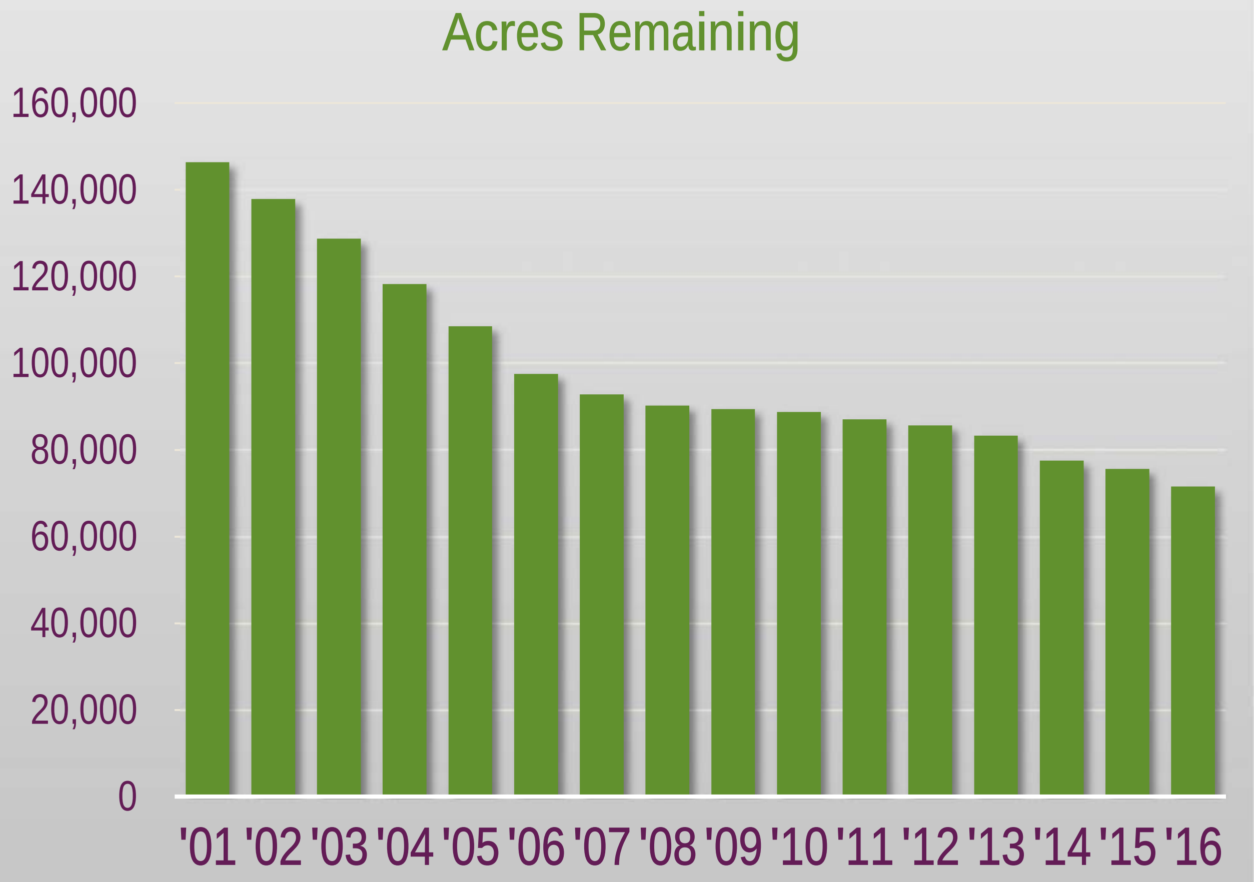


Source: Applied Analysis and SalesTraq

Land Development and Availability

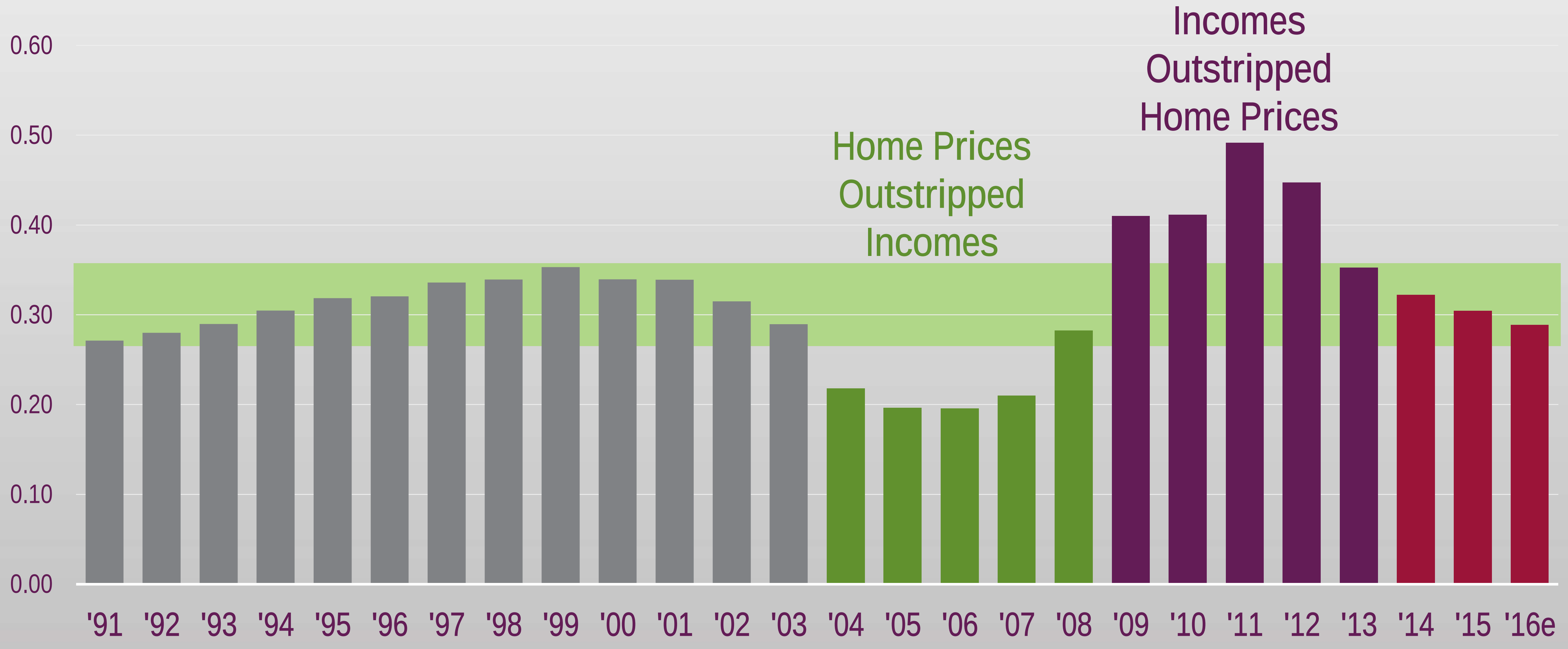
Available: 71,500 Acres
Annual Developed: 5,000 Acres
Effective Inventory: 14 Years





Source: Applied Analysis; CC MSHCP

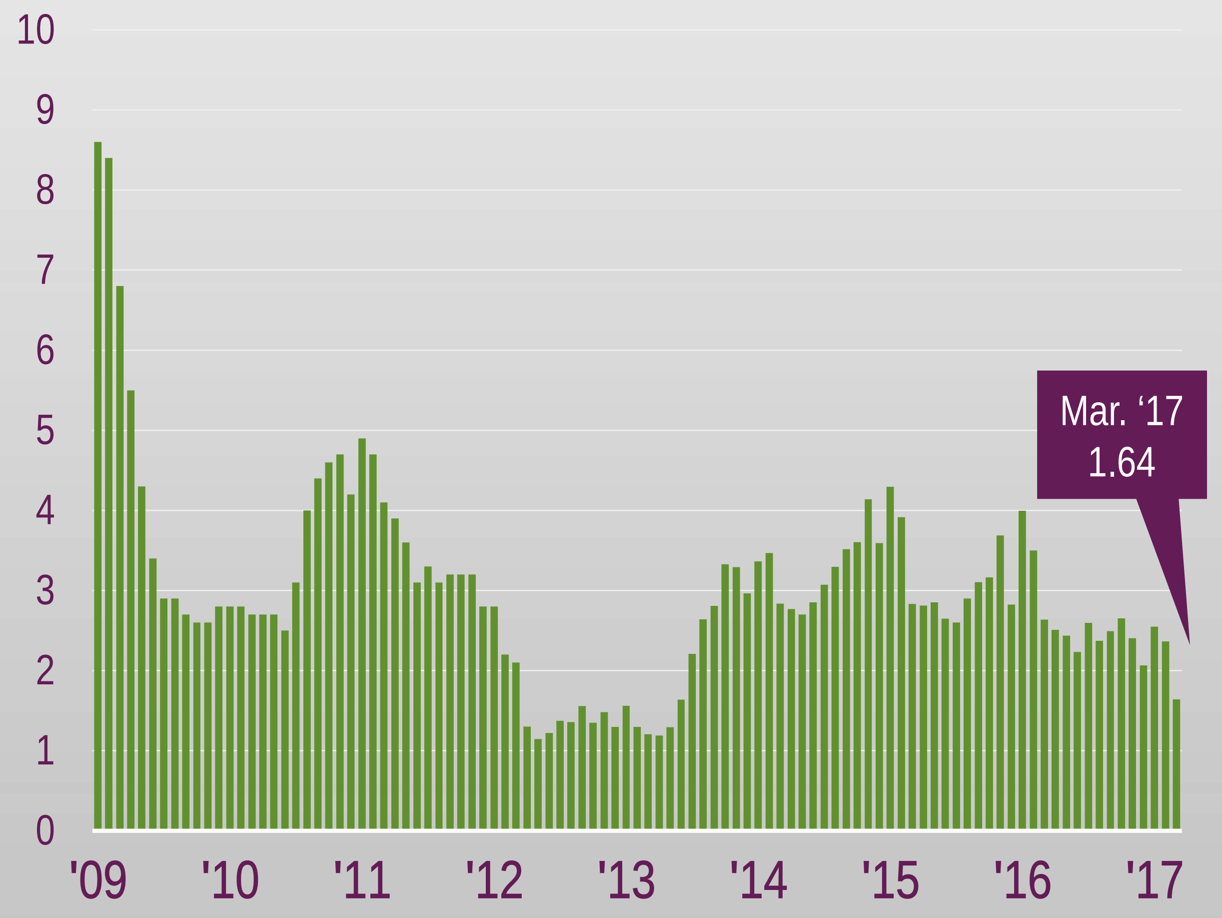
Household Incomes vs. Home Prices

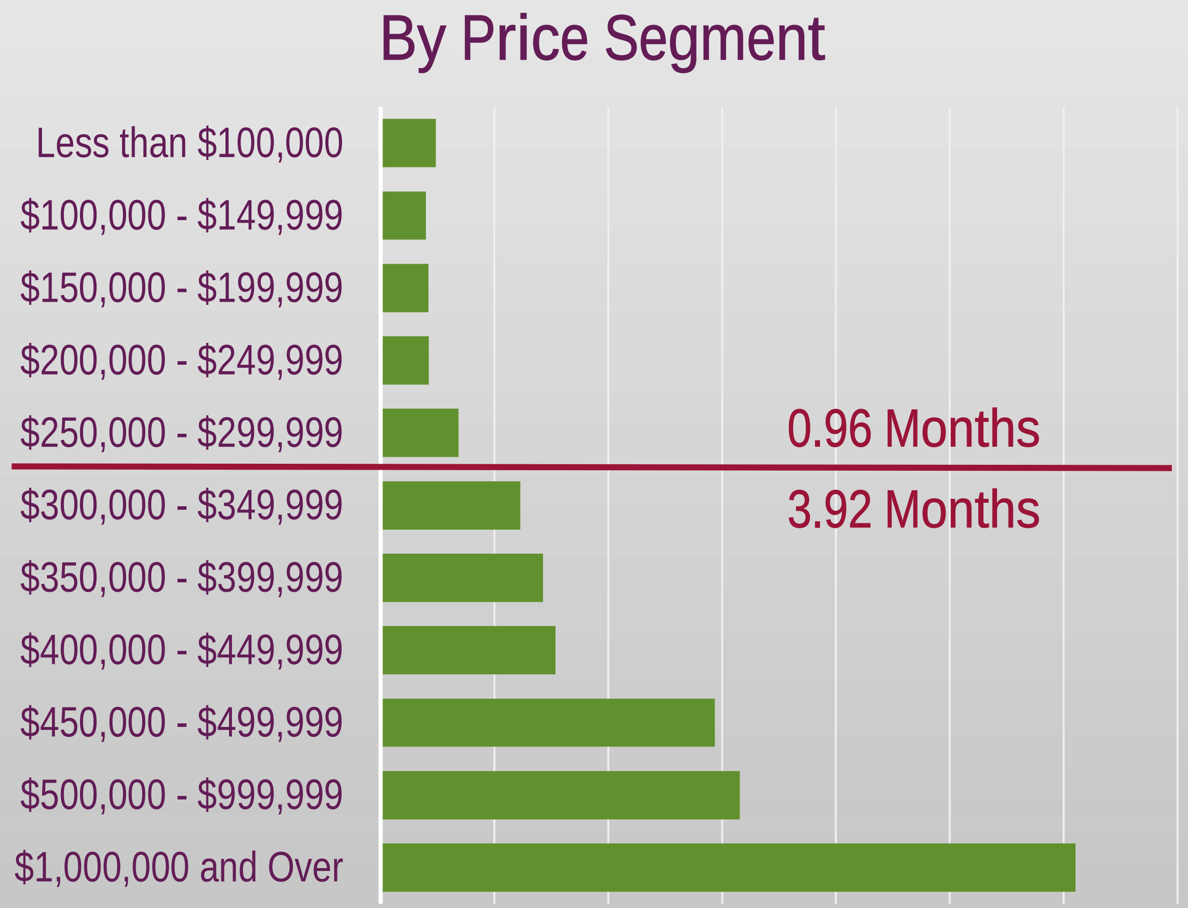


Source: BEA, Clark County, Applied Analysis and SalesTraq

Effective Months of Availability

Multiple Listing Service

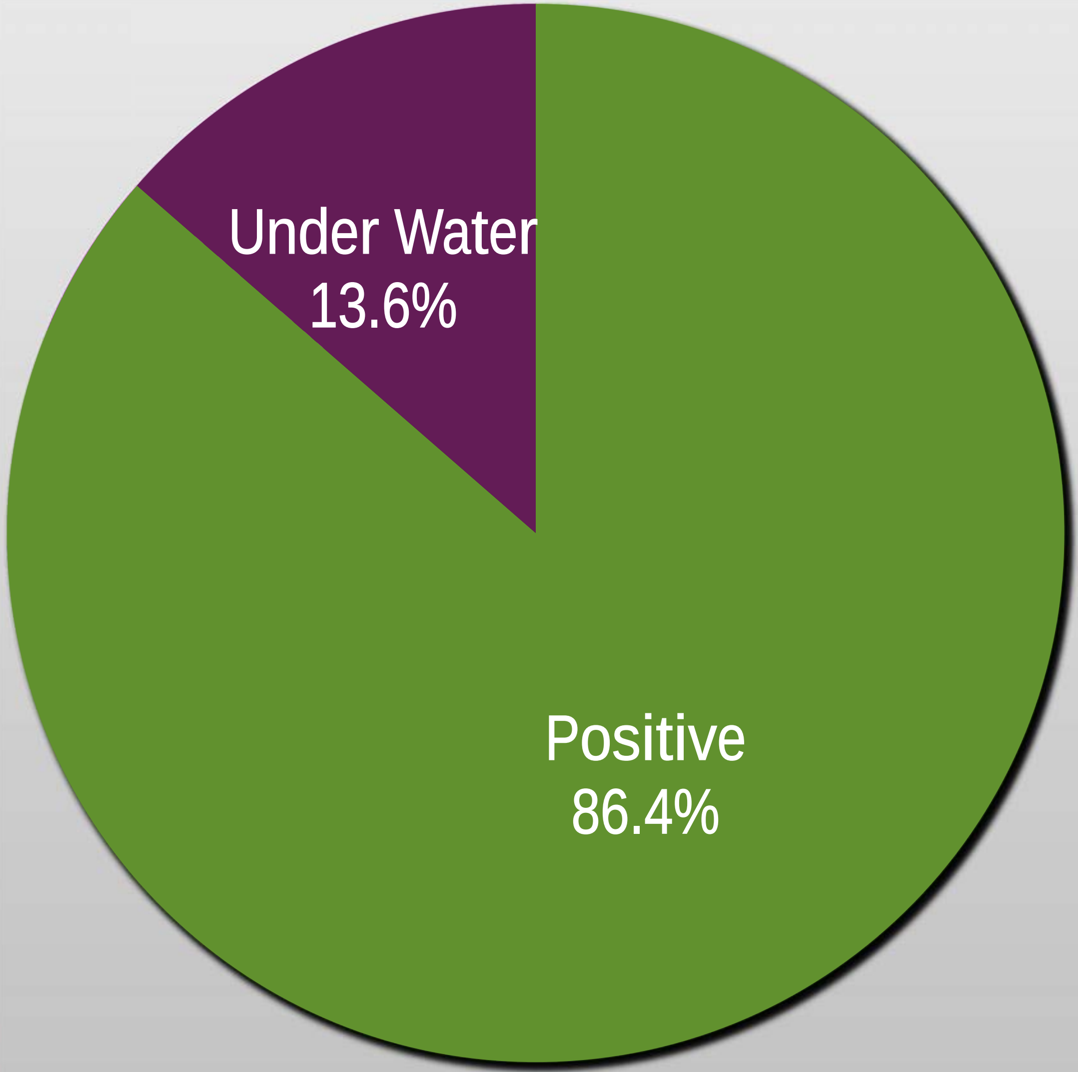




Source: MLS and SalesTraq

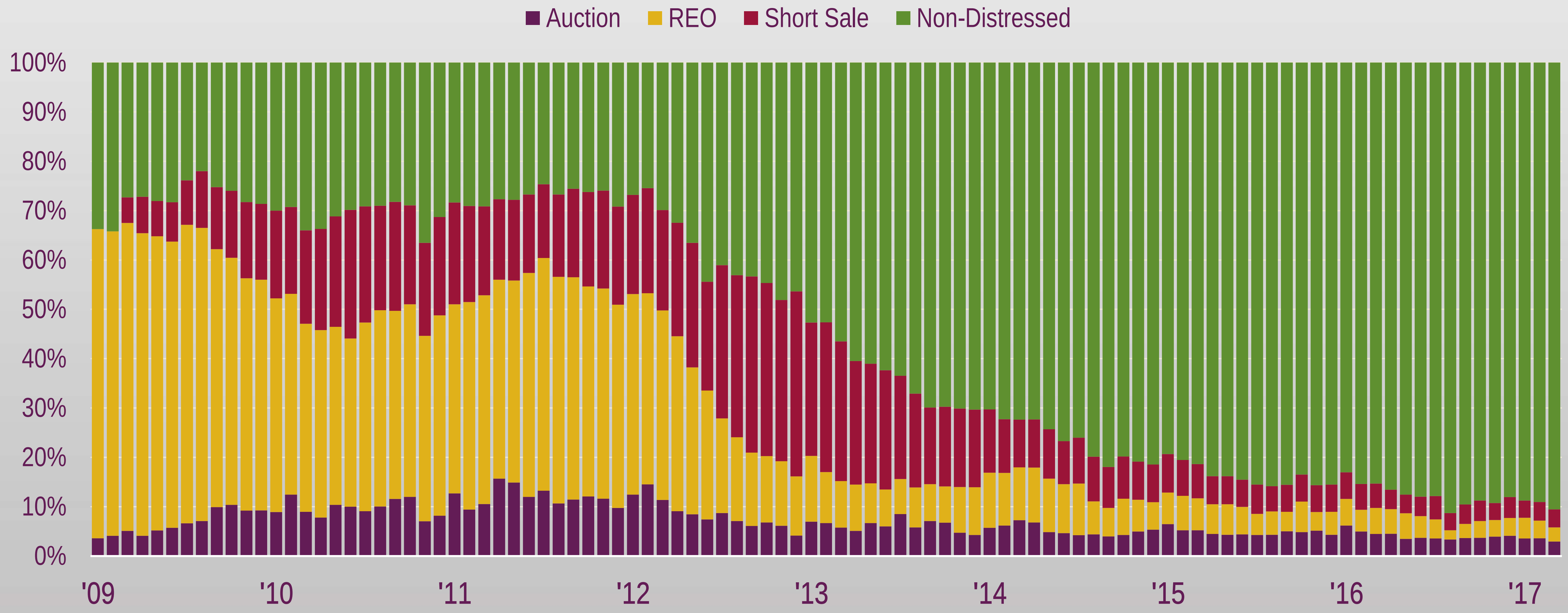
Nevada Homeowner’s Equity

2016



Source: CoreLogic

Mix of Properties Sold



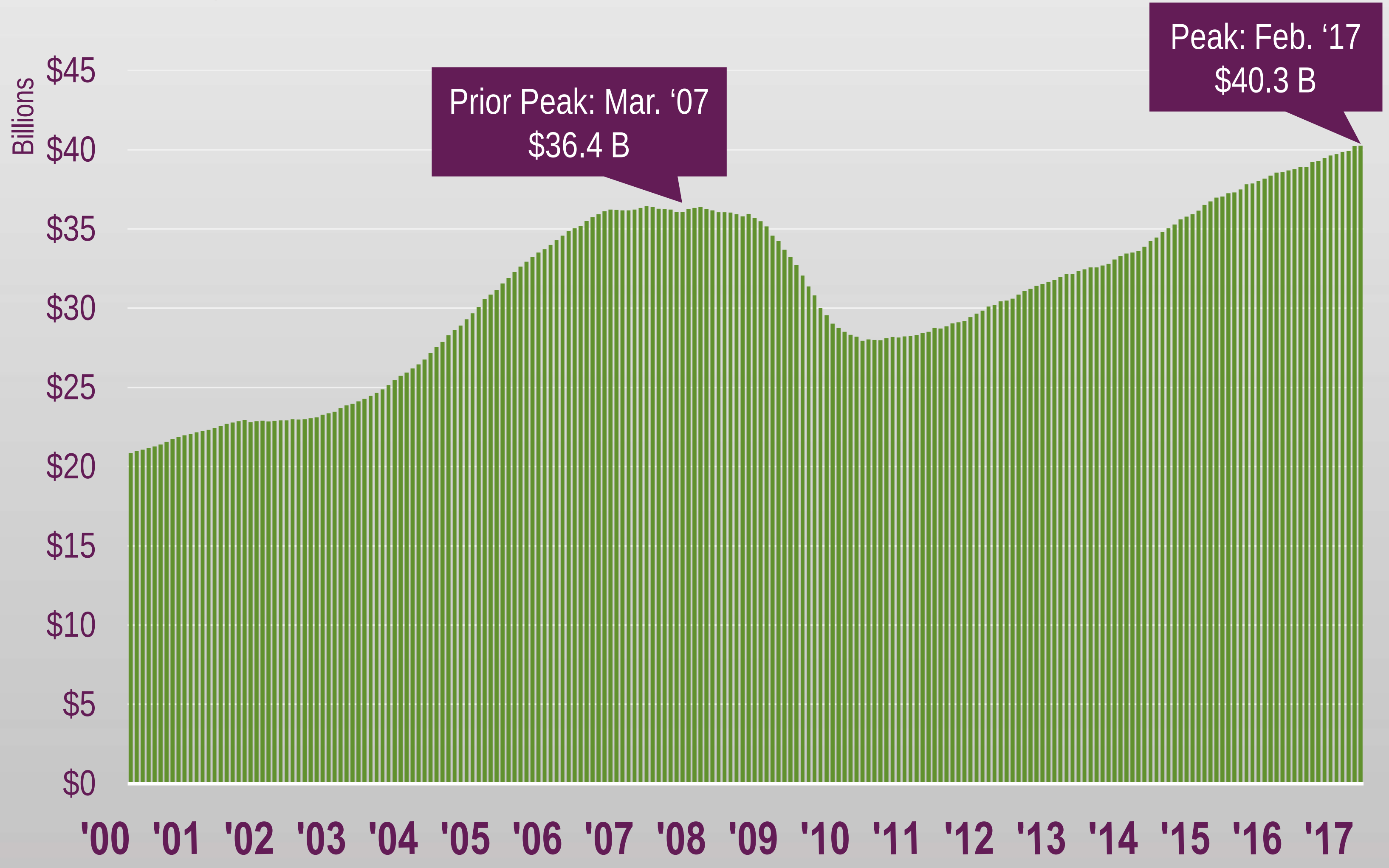
Source: SalesTraq

CLARK COUNTY CONSUMER SPENDING TRENDS

Seeking a new equilibrium in light of technological innovation and consumer preferences

Clark County Taxable Retail Sales

Trailing 12-Month Total



Source: Nevada Department of Taxation

Growth in Top Retail Categories

Past 12 Months

+4.1% Food Services & Drinking Places

+5.8% Motor Vehicle & Parts Dealers

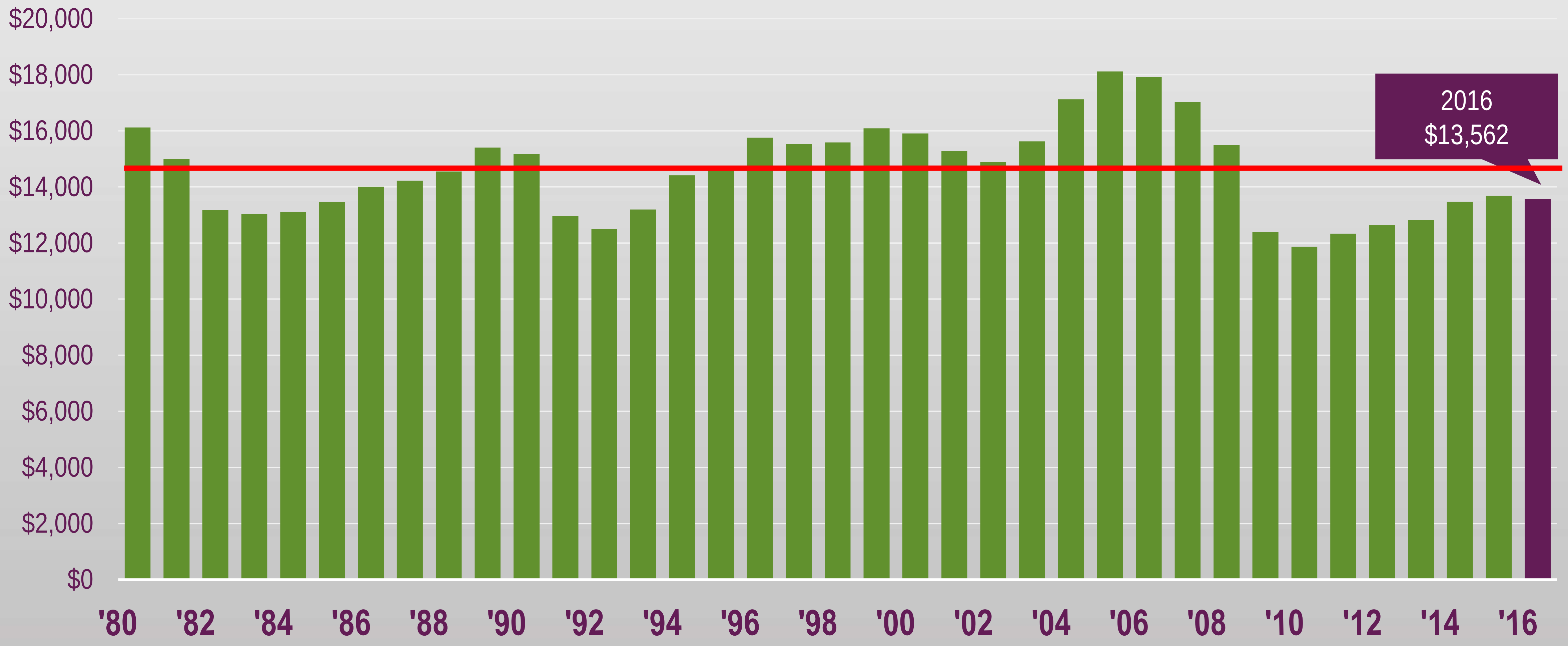
+1.1% General Merchandise Stores

-3.2% Clothing & Clothing Accessories

+3.7% Merchant Wholesalers, Durable Goods

Clark County Taxable Retail Sales

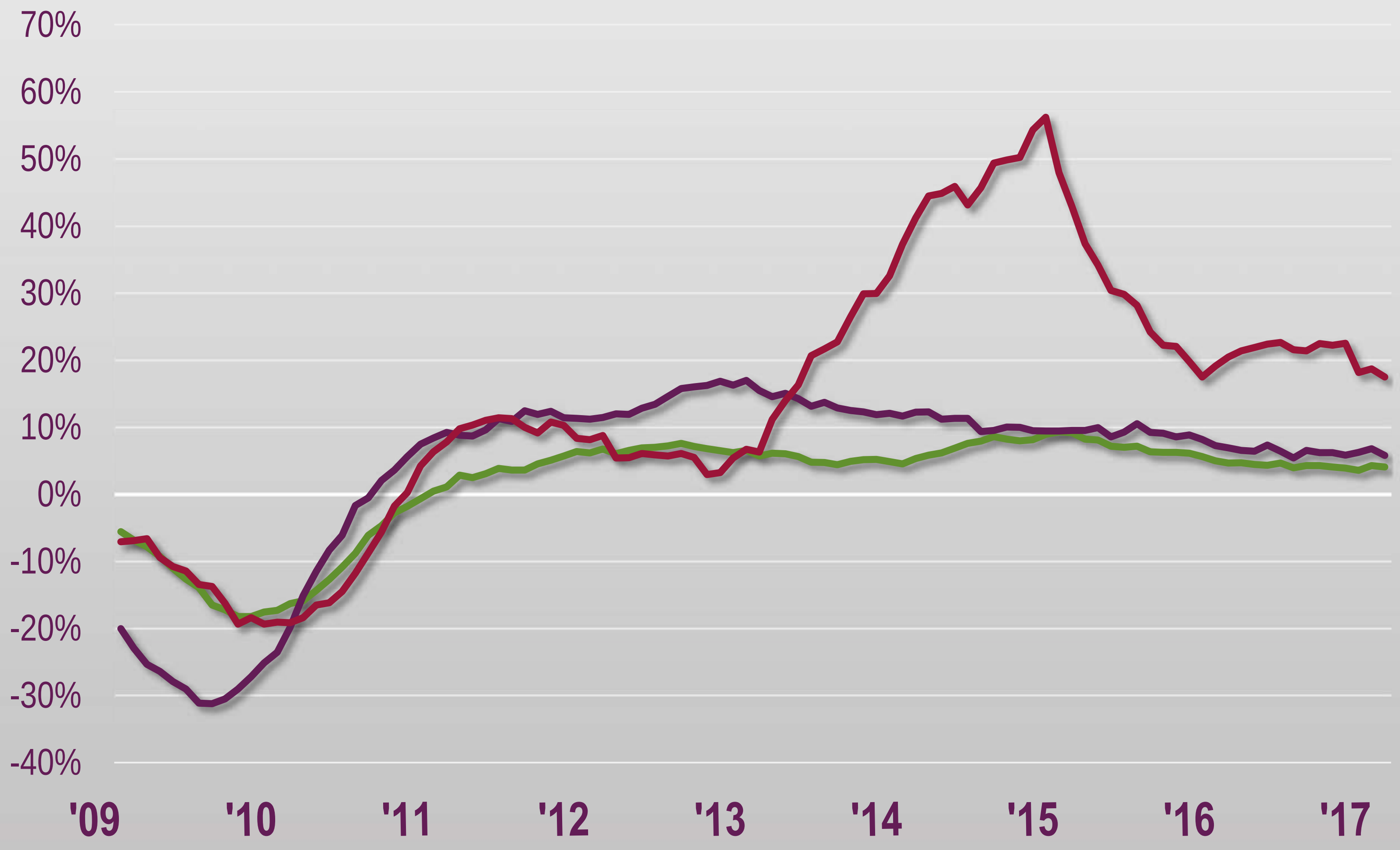
Inflation-Adjusted Per Capita (2000=100)



Source: Nevada Department of Taxation; United States Census Bureau; Applied Analysis

Comparative Taxable Retail Sale Growth

Clark County; Year-over-Year



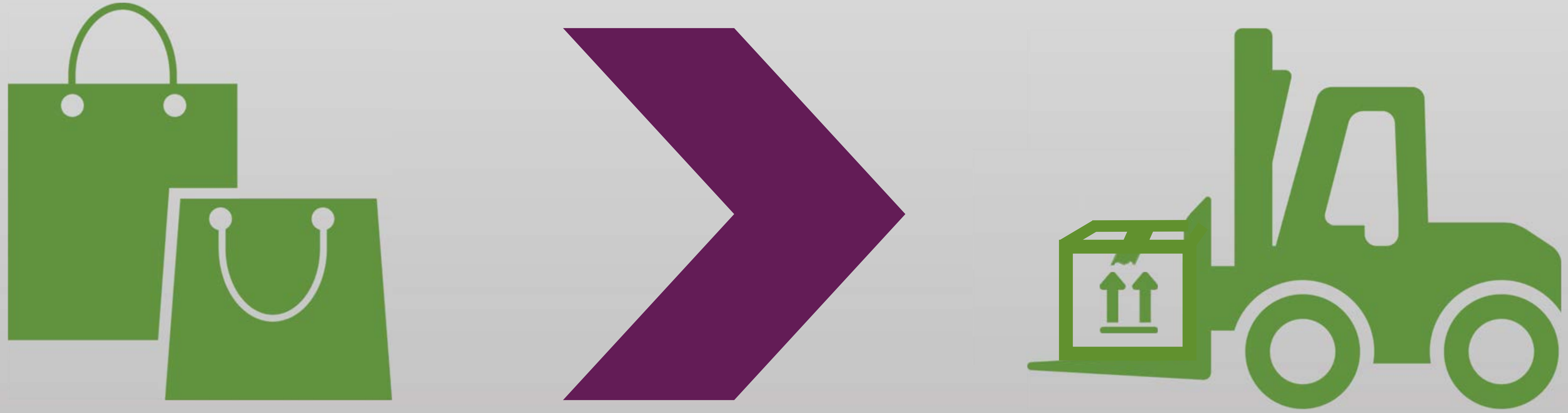
+17.5% Nonstore Retailers

+5.8% Motor Vehicle and Parts Dealers

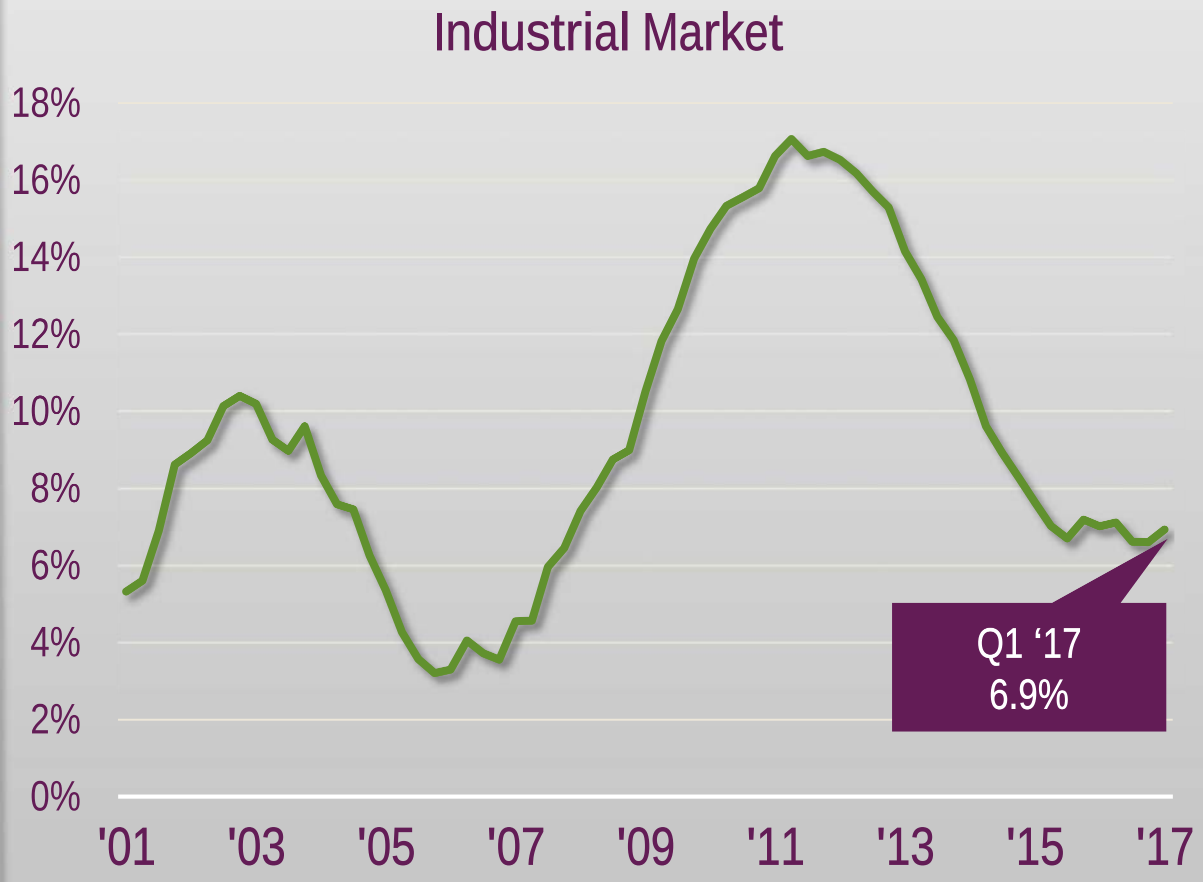
+4.1% Total Taxable Retail Sales

Source: Nevada Department of Taxation

Retail sales are moving away from brick-and-mortar stores and focusing on the convenience of online shopping, creating increased demand for distribution space.



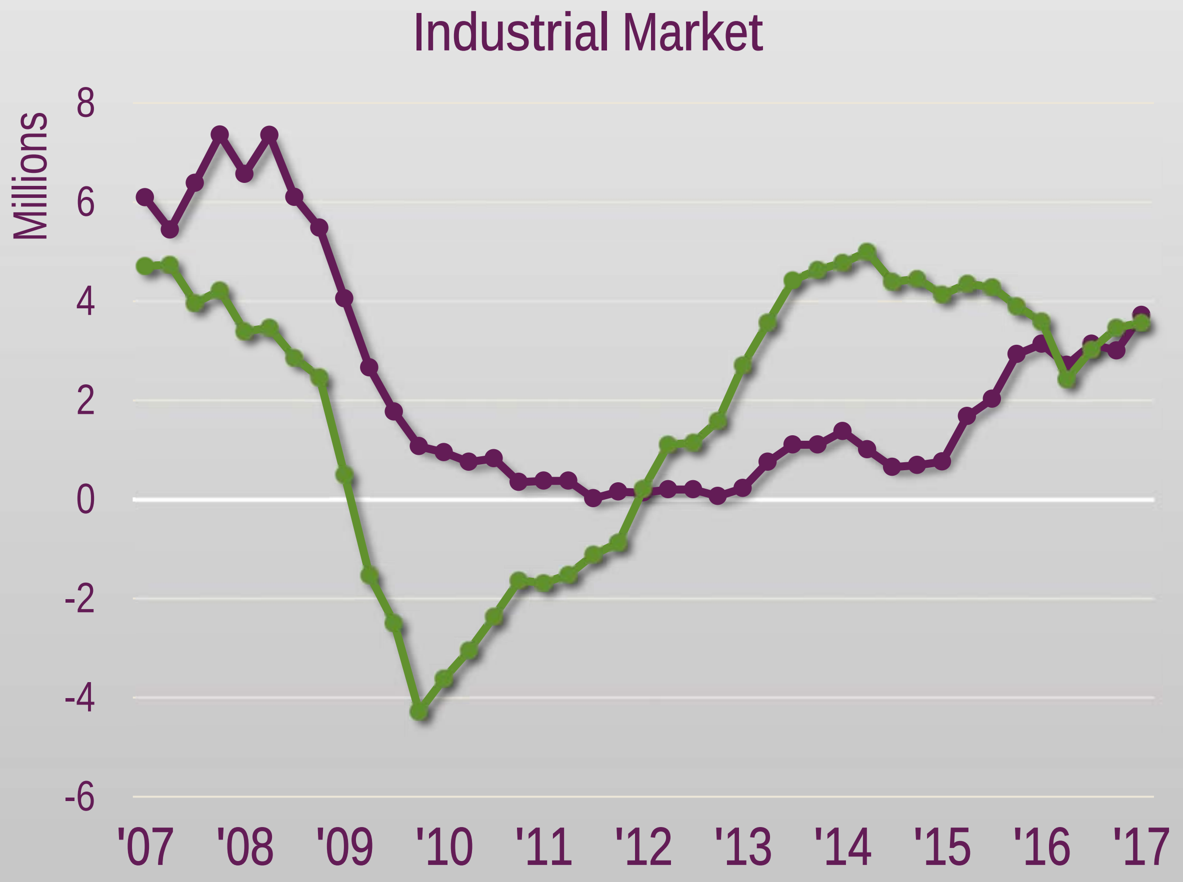
Retail and Industrial Market Vacancy Rates



Source: Applied Analysis

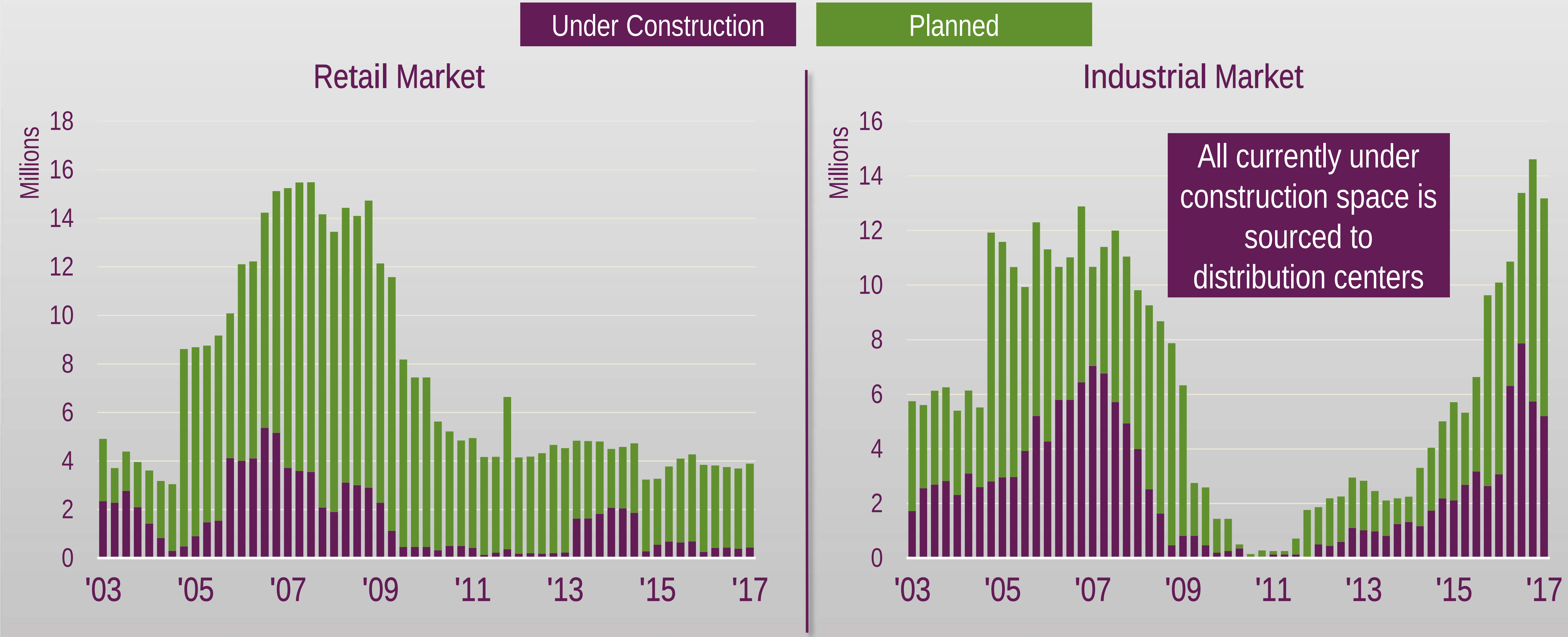
Retail and Industrial Market Supply vs. Demand

Completions | Absorption



Source: Applied Analysis

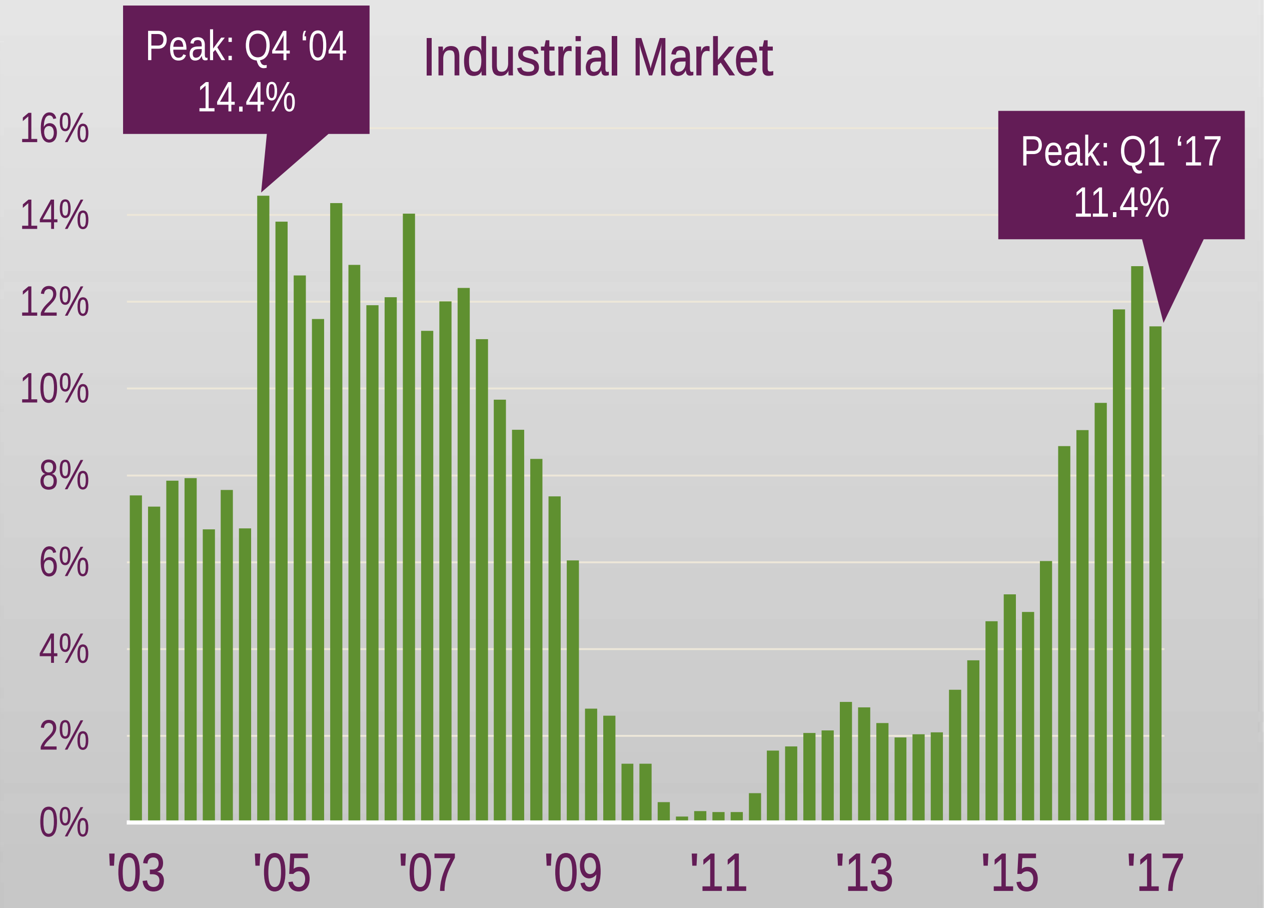
Under Construction and Planned Space



Source: Applied Analysis

Future Development as a Share of Total Inventory

Are we building too much?



Source: Applied Analysis

Large Retail Store Closings

Food 4 Less

Sports Authority

Sport Chalet

fresh & easy

Haggen

Golfsmith

OfficeMax

Large Industrial Distribution Leases

amazon

Premium Waters, Inc. bottled water solutions

Fanatics

Bed Bath & Beyond — Beyond any store of its kind.

The Honest Co.

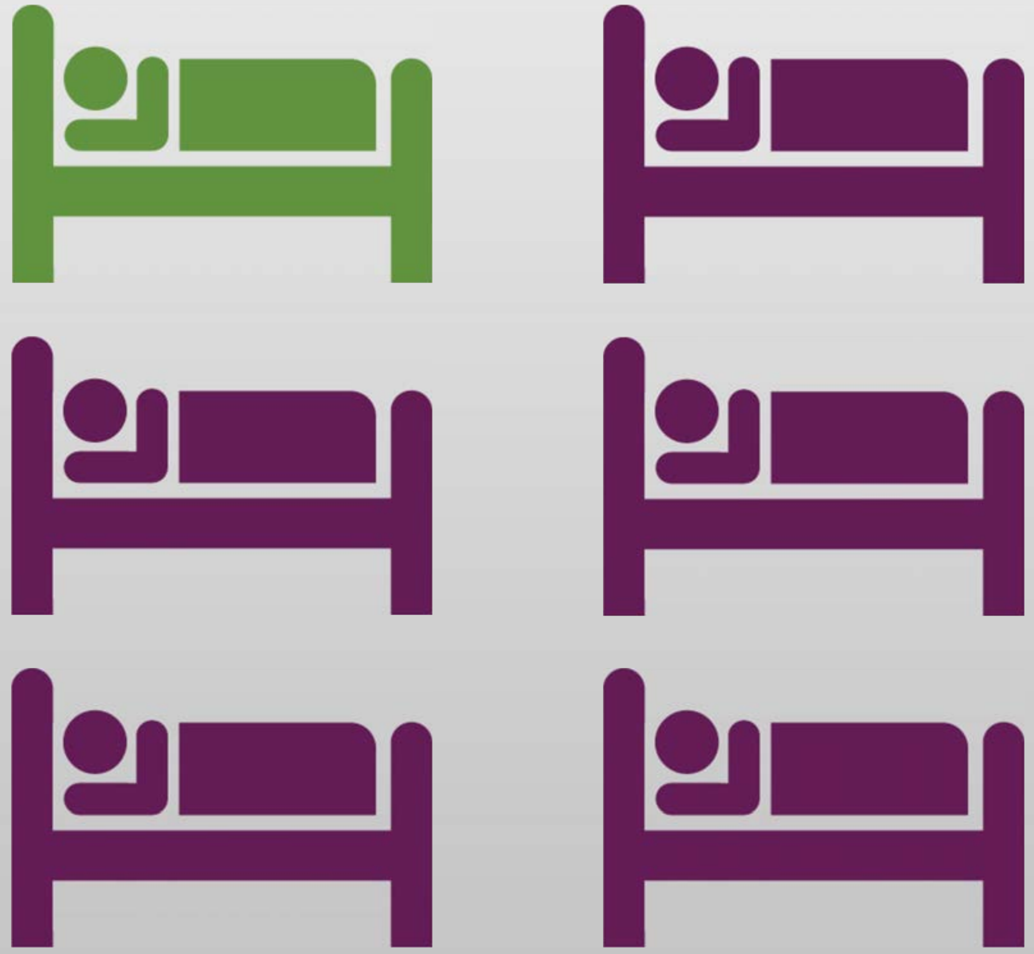
CHANGING THE TOURISM DYNAMIC IN LAS VEGAS

Growth in visitor volume and increasing popularity of non-gaming attractions spurring current wave of development activity

Las Vegas Population with Visitors

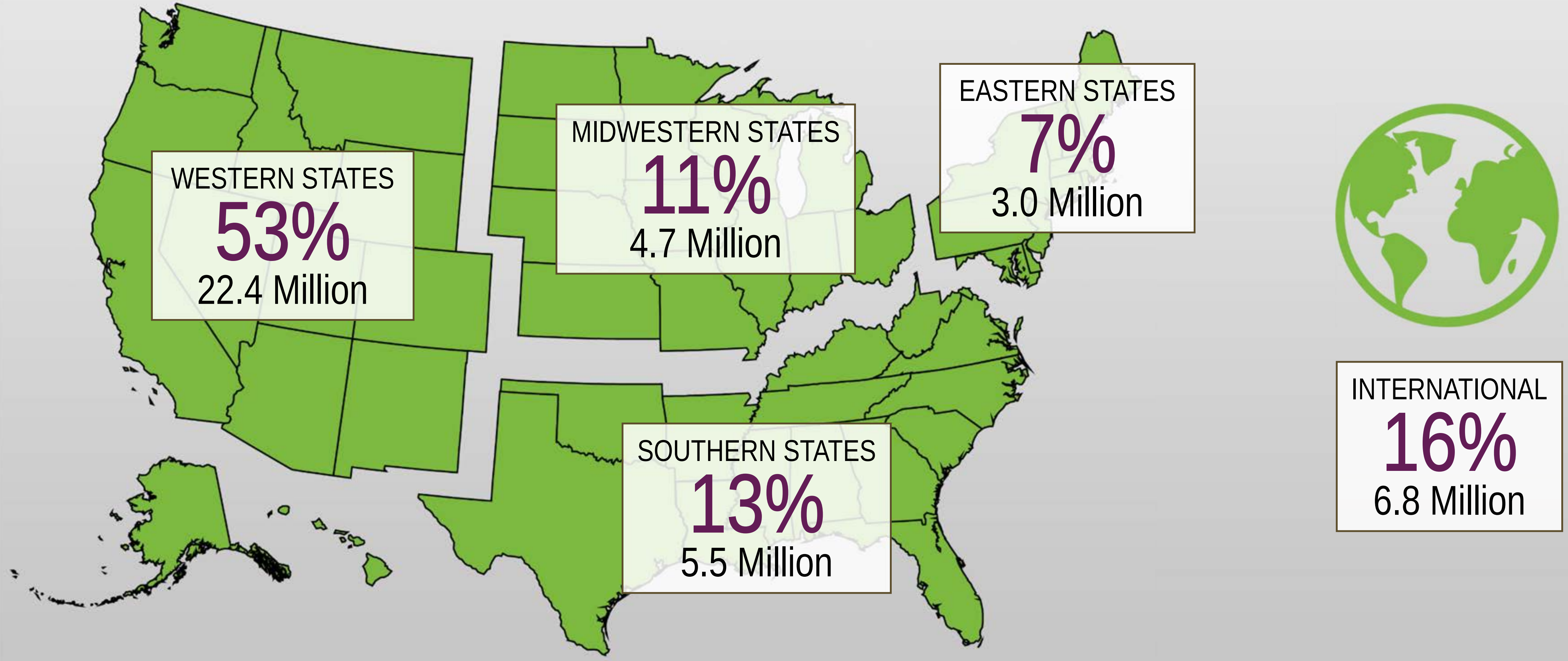
1 in 6

PEOPLE SLEEPING IN SOUTHERN NEVADA IS A VISITOR



Source: Applied Analysis

Where do Visitors to Las Vegas Come From?



Source: Las Vegas Convention and Visitors Authority

Annual Airport Passengers

MCCARRAN INTERNATIONAL AIRPORT

8th

BUSIEST U.S. AIRPORT

Rank	Airport	Passengers
1	Atlanta (ATL)	101.5 M
2	Chicago-O'Hare (ORD)	76.9 M
3	Los Angeles (LAX)	74.7 M
4	Dallas/Fort Worth (DFW)	64.1 M
5	New York (JFK)	56.8 M
6	Denver (DEN)	54.0 M
7	San Francisco (SFO)	50.1 M
8	LAS VEGAS (LAS)	45.4 M
9	Charlotte (CLT)	44.9 M
10	Miami (MIA)	44.4 M

Source: Airports Council International

Origin & Destination Passengers

MCCARRAN INTERNATIONAL AIRPORT

2nd

BUSIEST U.S. AIRPORT

When excluding passengers with connecting flights

Rank	Airport	O&D Passengers
1	Los Angeles (LAX)	40.0 M
2	LAS VEGAS (LAS)	32.2 M
3	Chicago-O'Hare (ORD)	32.0 M
4	Denver (DEN)	30.4 M
5	Atlanta (ATL)	30.2 M
6	Orlando (MCO)	30.1 M
7	San Francisco (SFO)	28.3 M
8	Boston (BOS)	25.2 M
9	Seattle (SEA)	24.9 M
10	New York-LaGuardia (LGA)	24.0 M

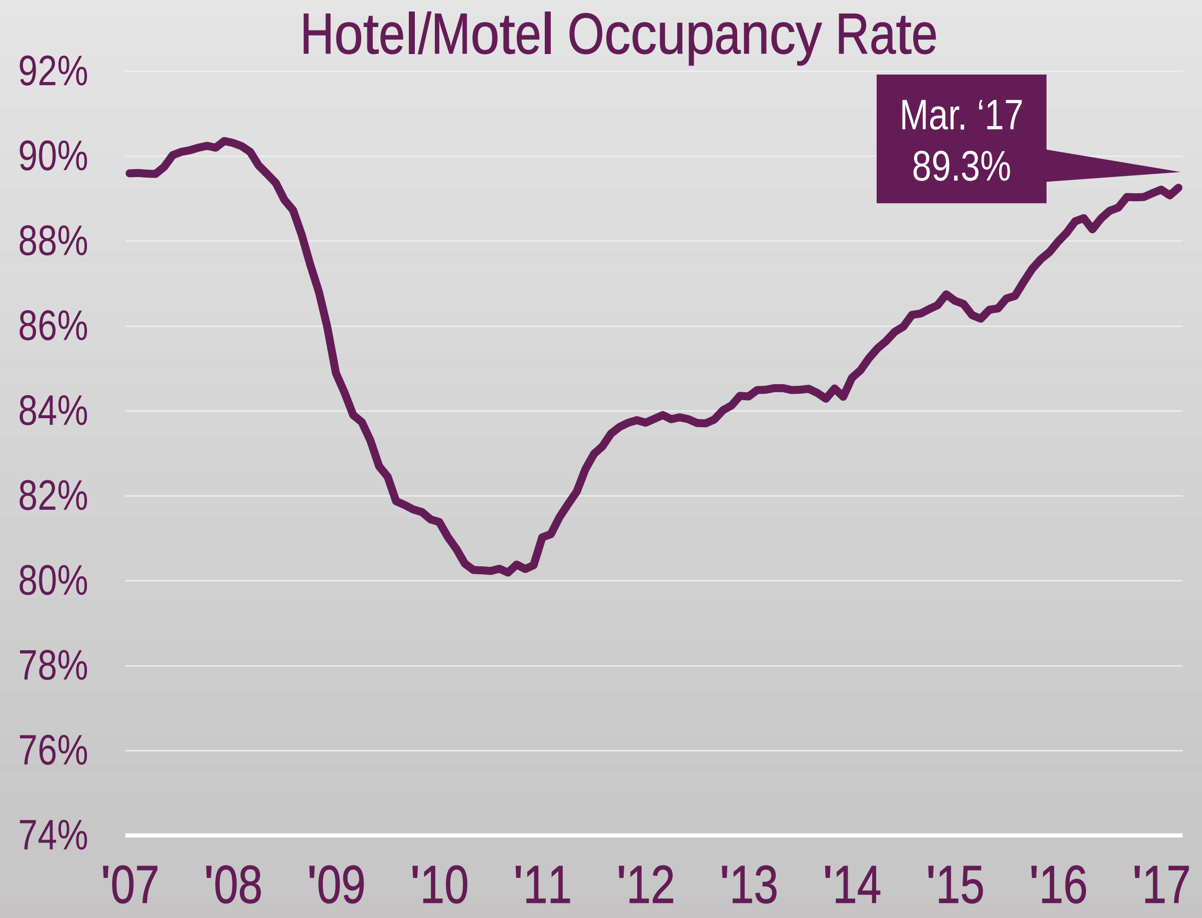
Source: McCarran International Airport 2015

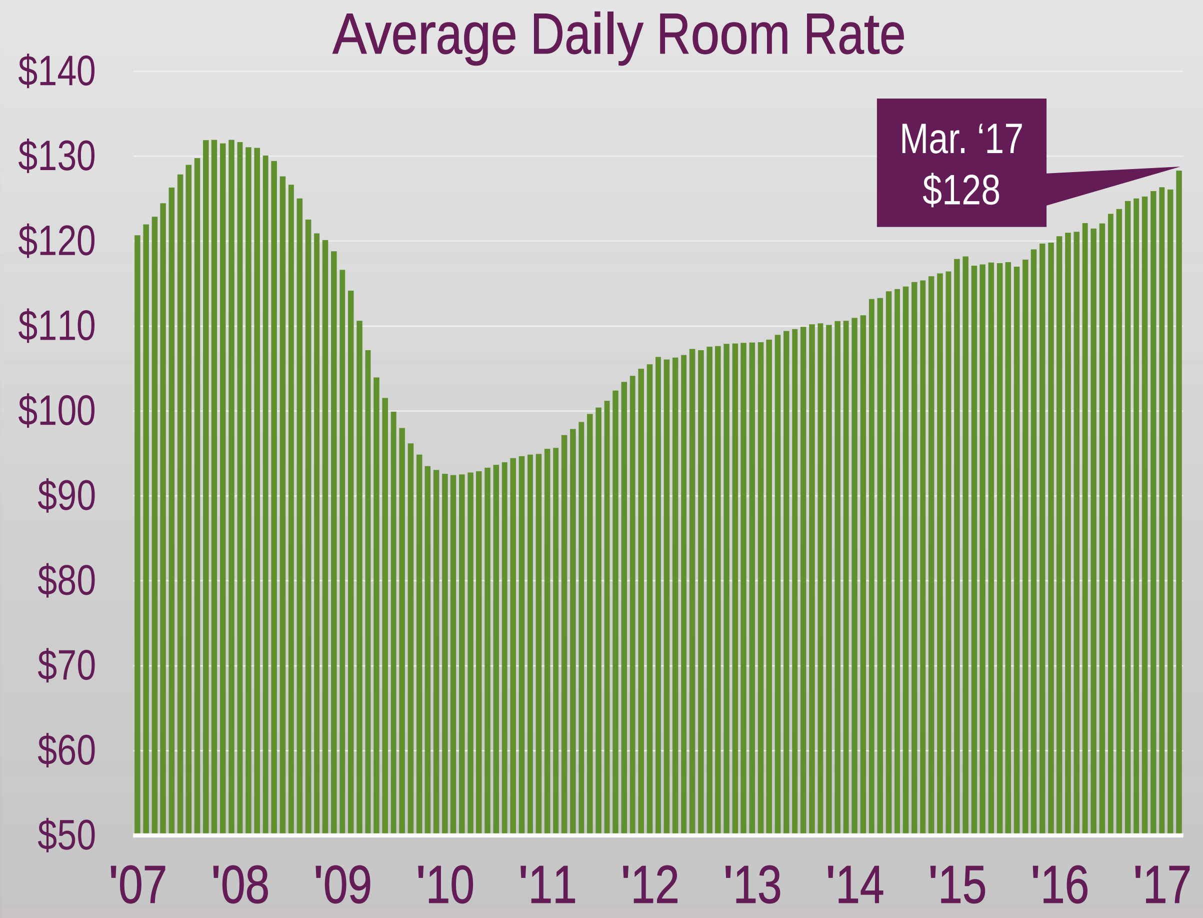
New Global Direct Flight Destinations

2014	2015	2016	2017/2018
Monterrey, Mexico	Stockholm, Sweden Copenhagen, Denmark	Mexico City, Mexico Guadalajara, Mexico	Munich, Germany
Vancouver, Canada Montreal, Canada	Vancouver, Canada	London, United Kingdom Oslo, Norway	Doha, Qatar
Zurich, Switzerland		Beijing, China	

Hotel/Motel Occupancy and Room Rates

Increases are Driving New Investments

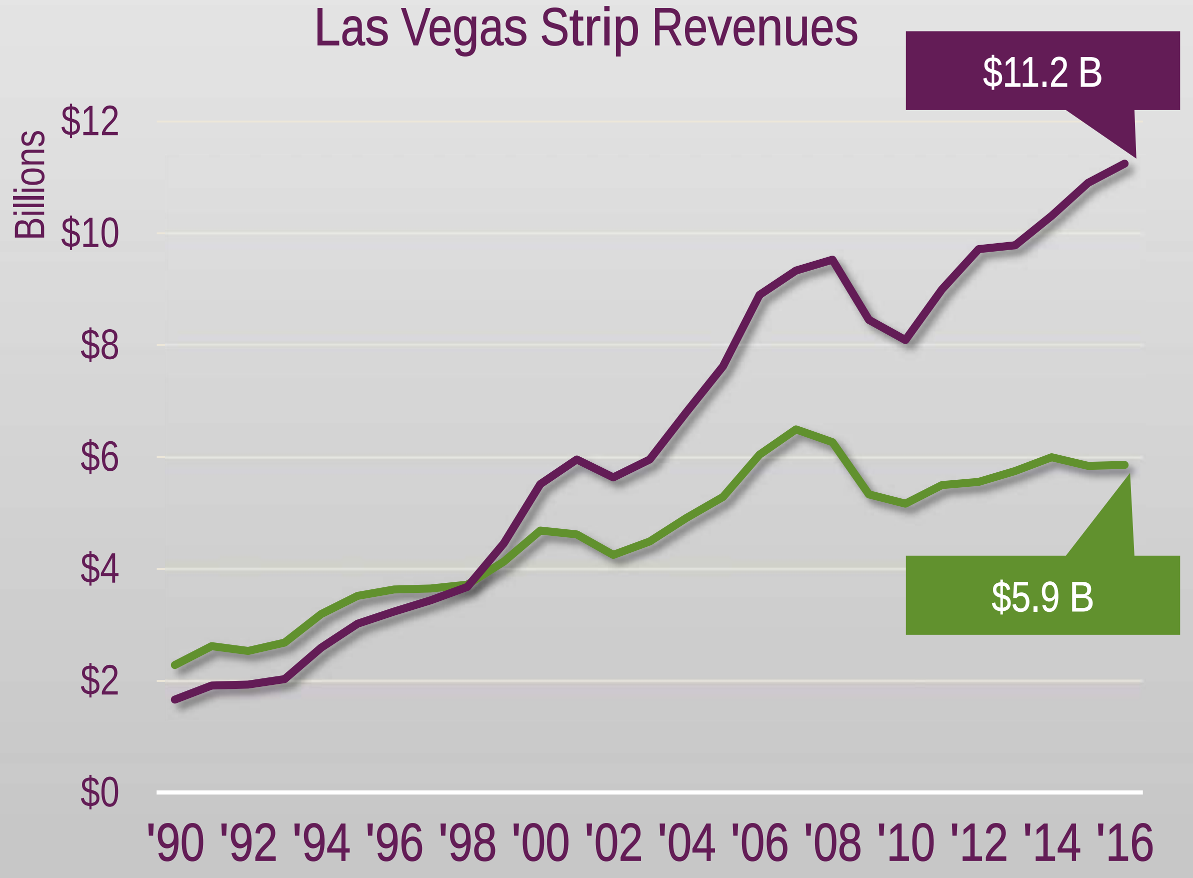


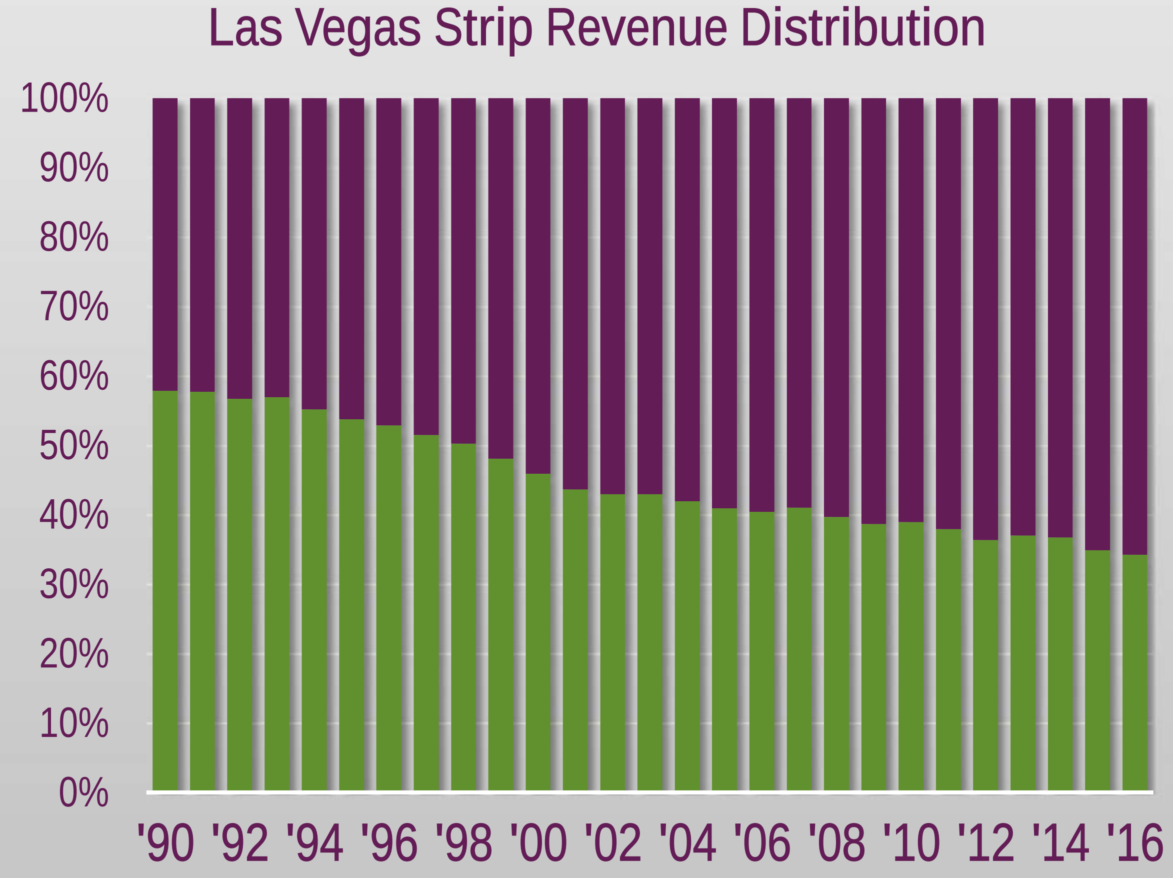


Source: Las Vegas Convention & Visitors Authority (note: figures are represented as trailing 12-month averages)

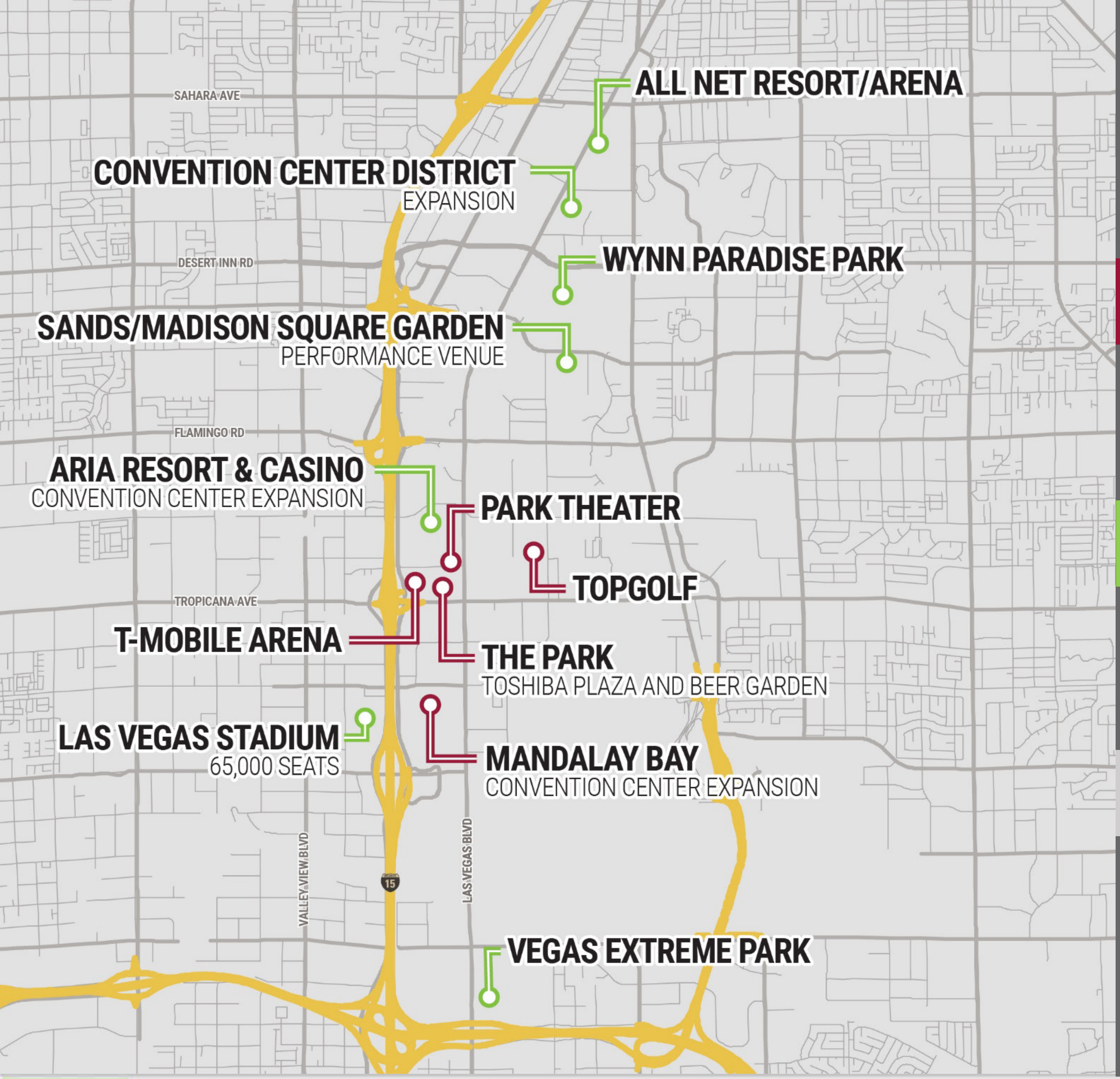
Growth of Non-Gaming Revenue Share

Non-Gaming | Gaming





Source: Nevada Gaming Control Board



Major Non-Gaming Related Investments

Resort Corridor

Recent Completions

$650 Million

Planned or Under Construction

$7.1 Billion

TOTAL INVESTMENTS

$7.8 Billion

Note: The cost was not publically disclosed for Aria Resort and Casino's convention center expansion. Recent completions are those that completed in 2016.

Investment Activity in the Resort Corridor

Are we building too much?

2007	2017
$45.8 Billion	$14.1 Billion
$21.7 B Gaming	$6.3 Gaming
$24.1 B Non-Gaming	$7.8 B Non-Gaming

Las Vegas Professional Sports

A Mutually Beneficial Relationship

Visitors in Las Vegas to Attend Sporting Events Spend Money on a Variety of Non-Event Activities

WORLD-CLASS RESORTS

ENTERTAINMENT

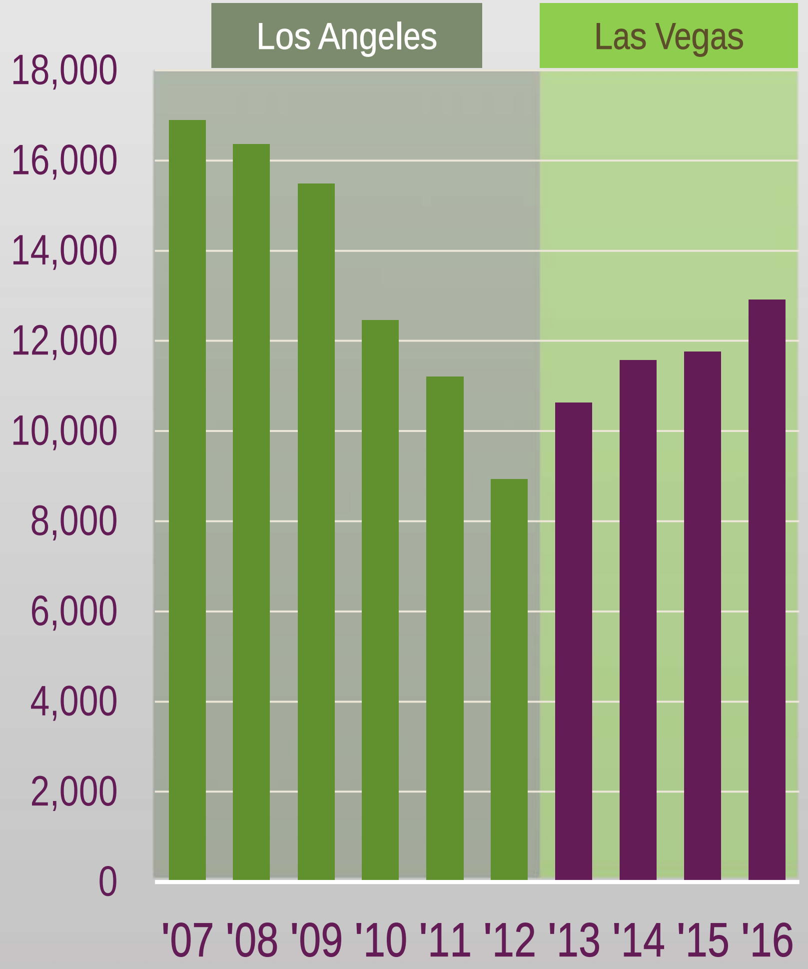
SHOPPING

FINE DINING

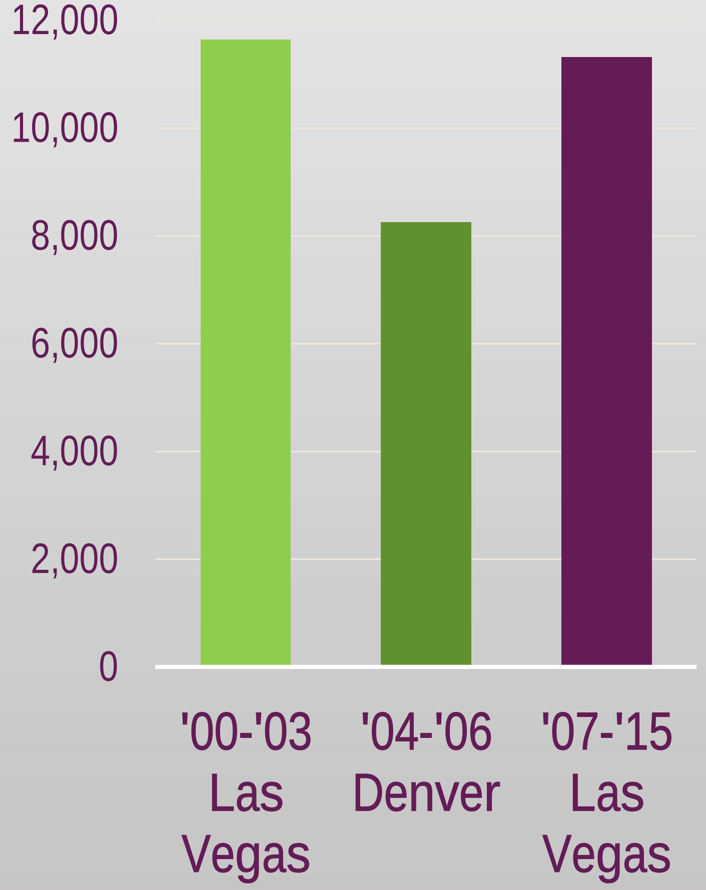
“Las Vegas Effect” on Event Attendance

Average Session Attendance

PAC-12 TOURNAMENT



MOUNTAIN WEST TOURNAMENT



Source: PAC-12, Mountain West

Super Bowl LI Impact
Houston, TX

138,000
Total Super Bowl Visitors

$350 M
Total Economic Impact

Super Bowl LI Impact
Las Vegas, NV

300,000

Visitors Came to Las Vegas During Super Bowl Weekend

Las Vegas Conventions and Trade Shows

Las Vegas
Convention Center

Exhibit Space: 1.9 million sq. ft.
U.S. Rank: 3rd

Mandalay Bay
Convention Center

Exhibit Space: 1.0 million sq. ft.
U.S. Rank: 8th

Sands Expo &
Convention Center

Exhibit Space: 1.0 million sq. ft.
U.S. Rank: 9th

Source: Las Vegas Convention and Visitors Authority

Las Vegas Conventions and Trade Show Attendance

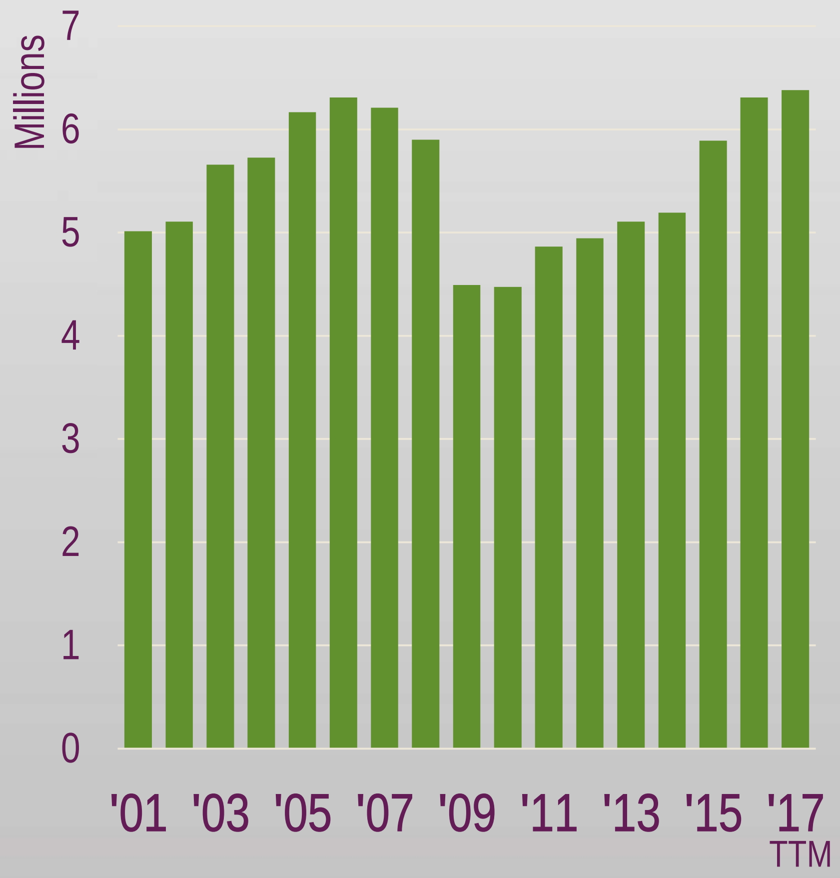
TSNN Trade Show News Network

#1

Trade Show Destination

22 Straight Years

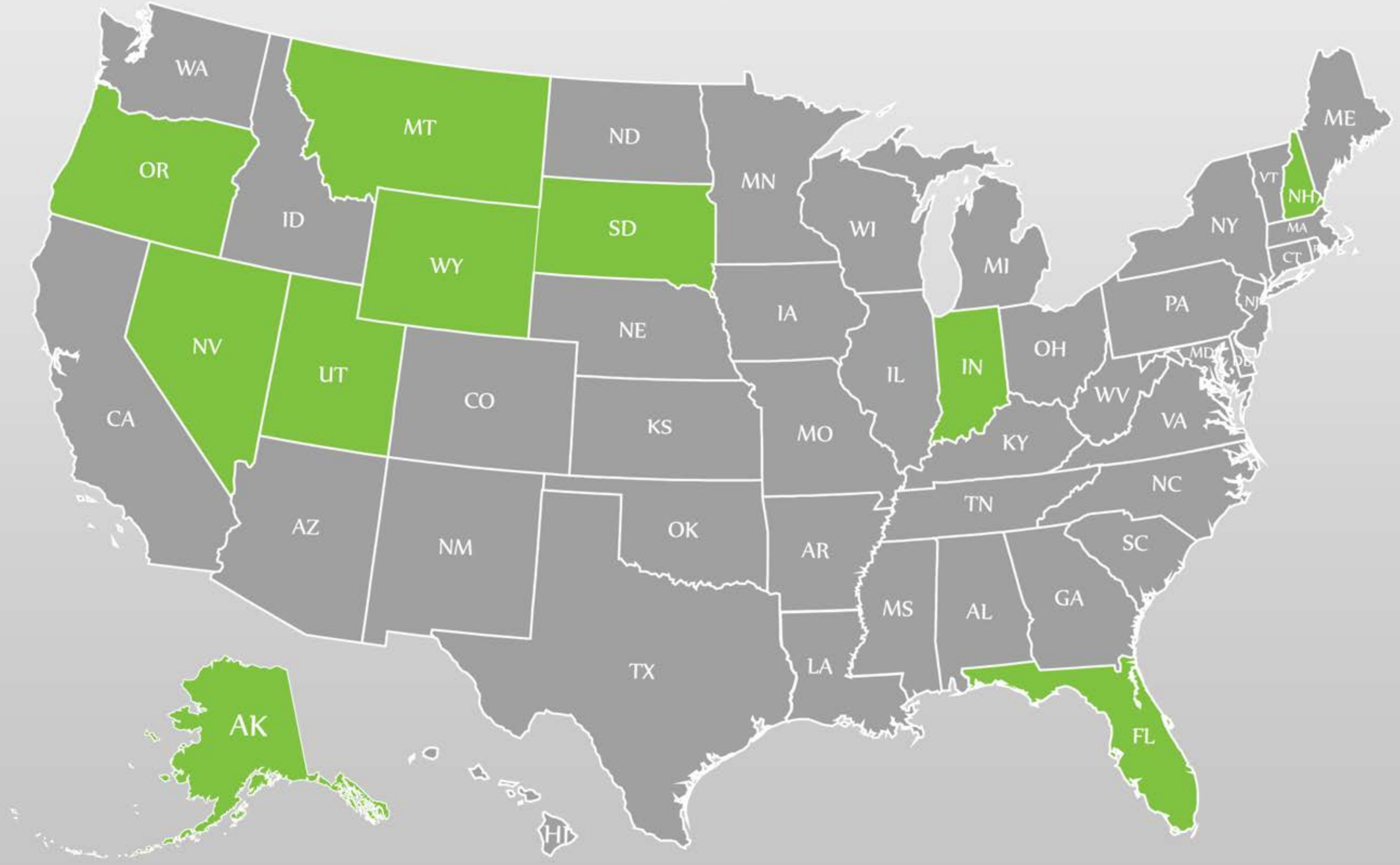
Convention Attendance



Conventions Held

Source: Las Vegas Convention and Visitors Authority

Business Tax Climate

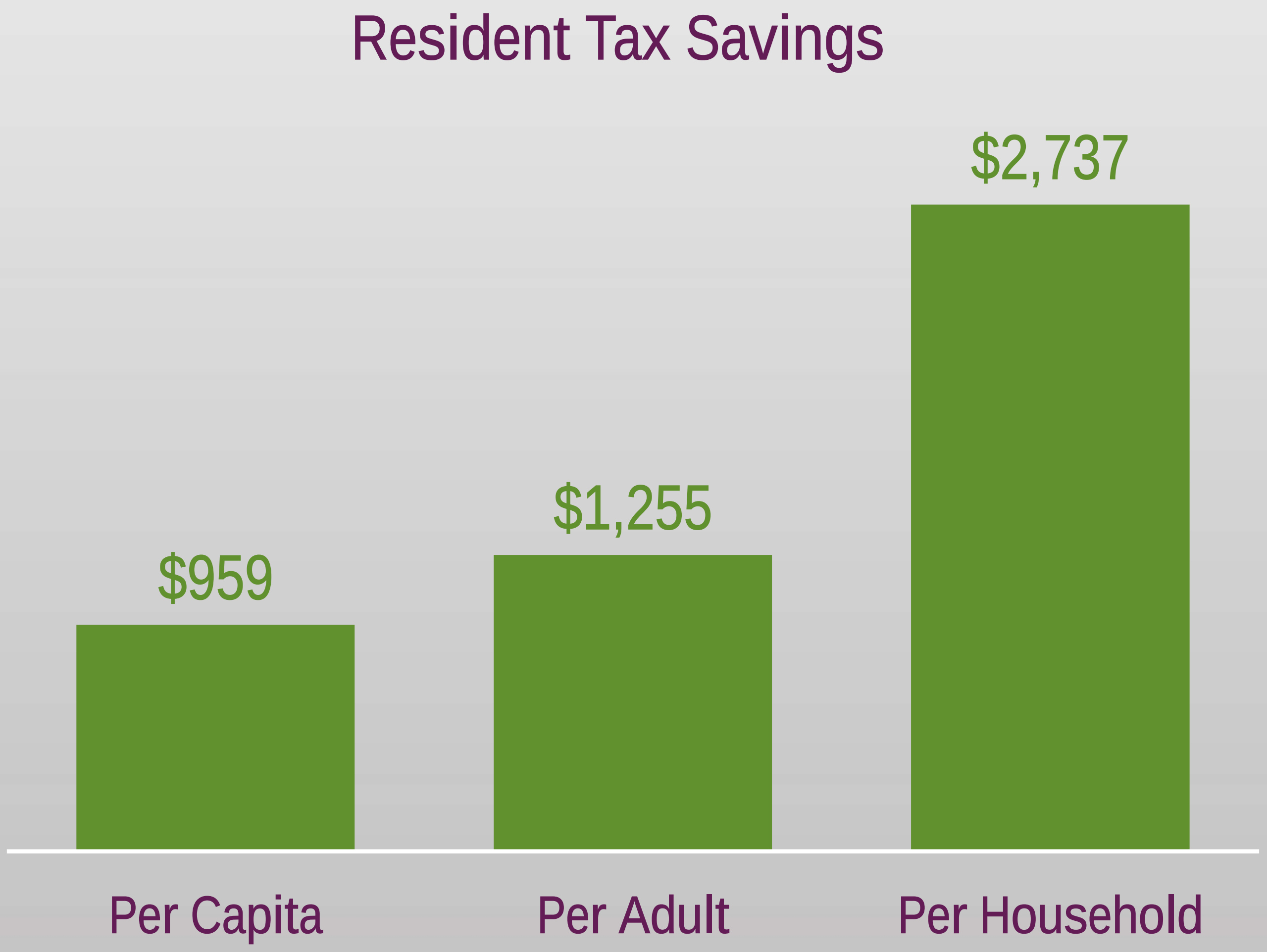


Rank	Top 10
1	Wyoming
2	South Dakota
3	Alaska
4	Florida
5	NEVADA
6	Montana
7	New Hampshire
8	Indiana
9	Utah
10	Oregon

Source: Tax Foundation

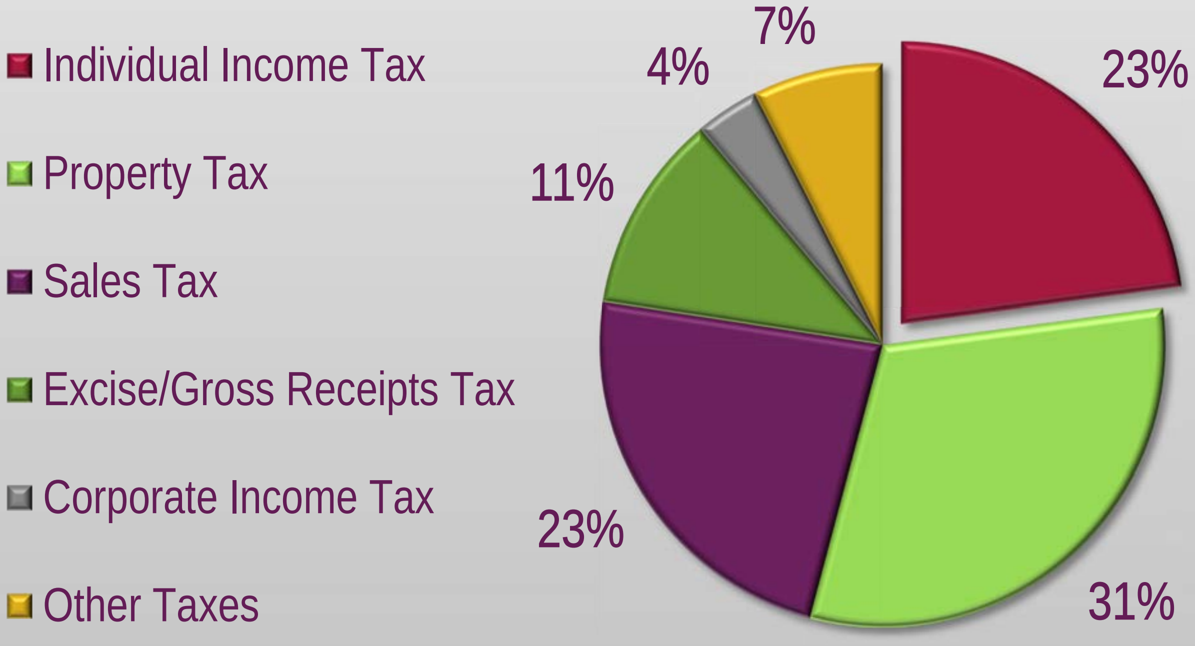
Reduced Tax Burden for Residents

The more than $2.0 billion in tax revenue generated by the tourism industry means a lower tax burden for southern Nevada residents and households.

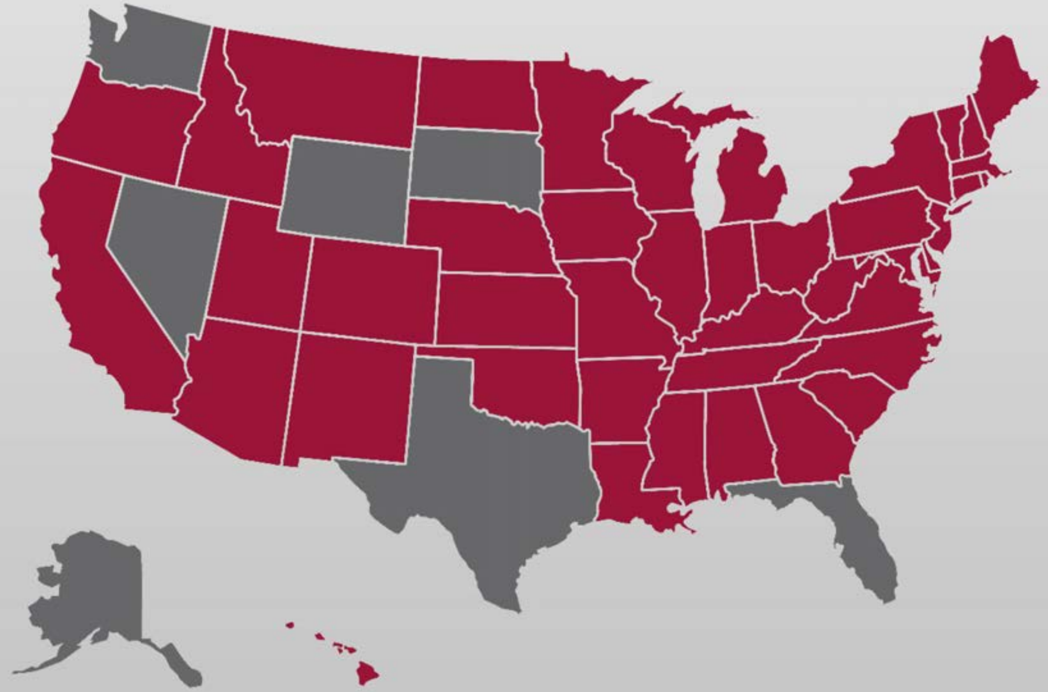


Personal Income Tax in the United States

Revenue Share by Tax Type
All U.S. States

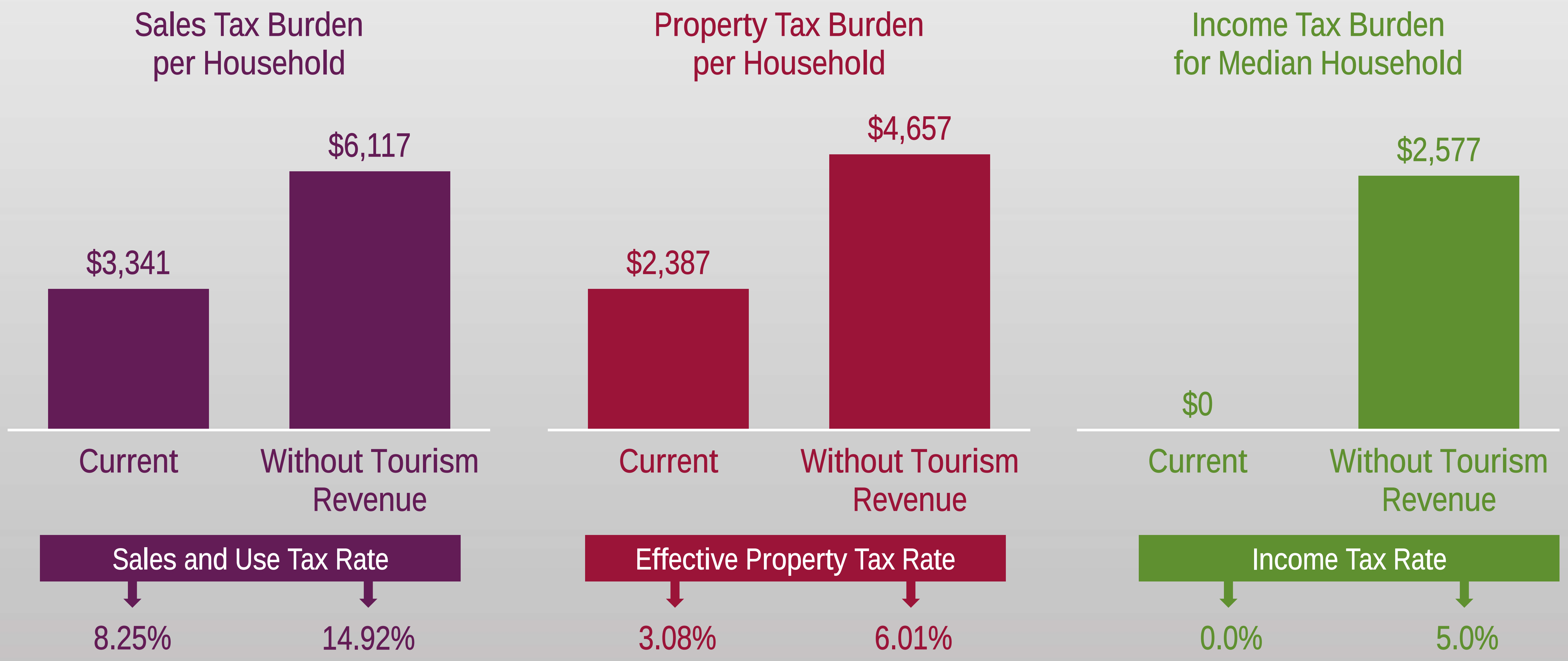


States with Individual Income Tax



Source: United States Census Bureau, State & Local Government Finance, 2014 (latest available), Tax Foundation, Applied Analysis

What does this mean for residents?



SOUTHERN NEVADA'S INNOVATIVE BUSINESS CLIMATE

Southern Nevada has taken steps to become increasingly competitive

Fortune 500 Presence

NON-GAMING FORTUNE 500 COMPANIES
With Operations in Southern Nevada

iHeart MEDIA
Southwest
amazon
BED BATH & BEYOND
REPUBLIC SERVICES
LIVE NATION
Hilton
TJX THE TJX COMPANIES, INC.
WYNDHAM HOTELS AND RESORTS

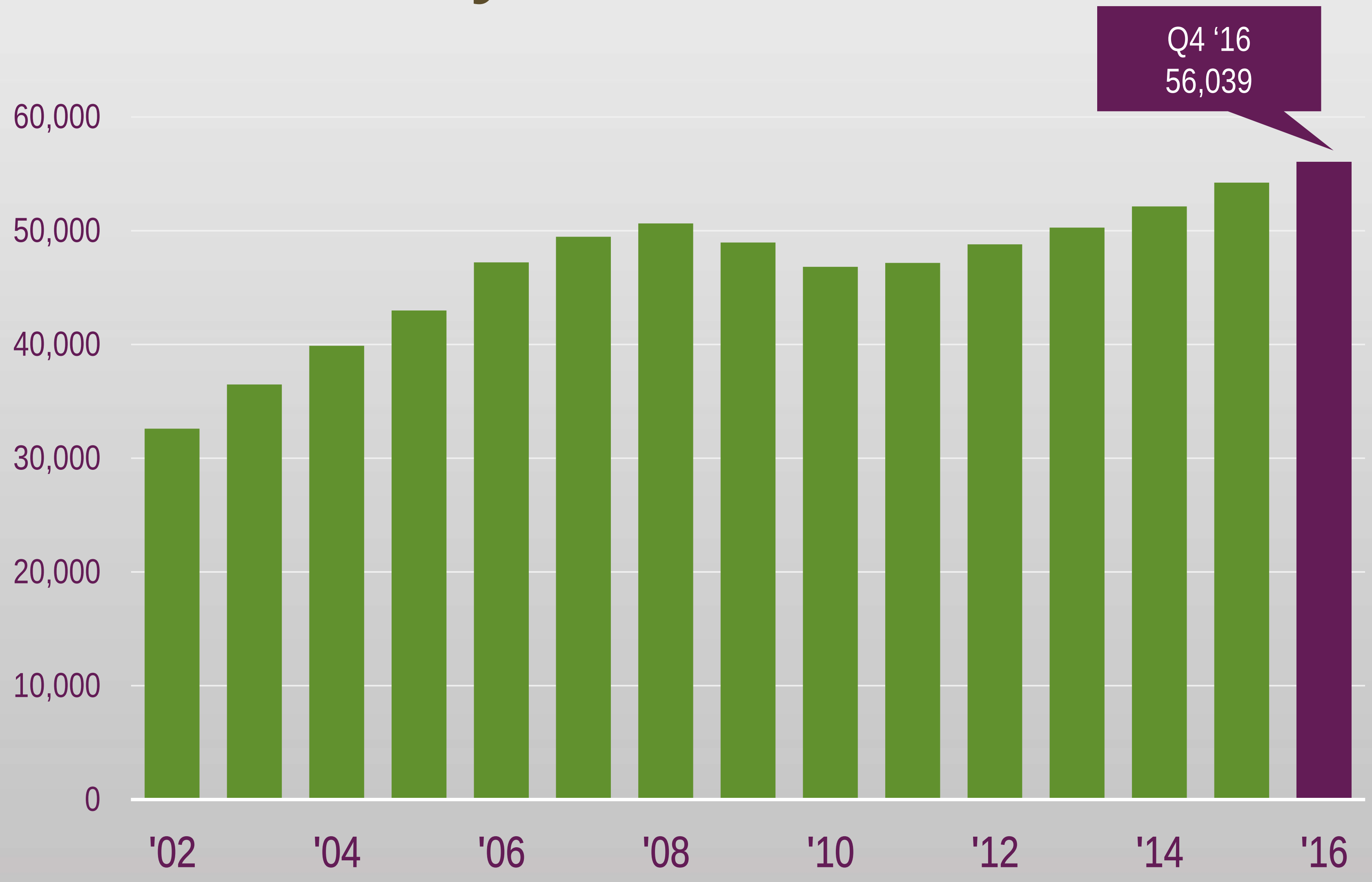
FORTUNE 500 COMPANIES
With Operations in Northern Nevada

ebay
Microsoft

Industrial and Technological Innovation

switch
KONAMI
banjo
Zappos.com
Influential
Dronesmith TECHNOLOGIES
hyperloop | one
lucine HEALTH SCIENCES, INC.
dR
TESLA
WiseBanyan
NEVADA INSTITUTE FOR AUTONOMOUS SYSTEMS • UNMANNED AIRCRAFT SYSTEMS •
Quertle
AI-based Analytics for Biomedical Big Data
ROCETEER
OCUSCIENCES
Faraday Future
SG SCIENTIFIC GAMES
IGT™

Clark County Private Businesses



Source: Nevada Department of Employment, Training & Rehabilitation

Private Business Growth

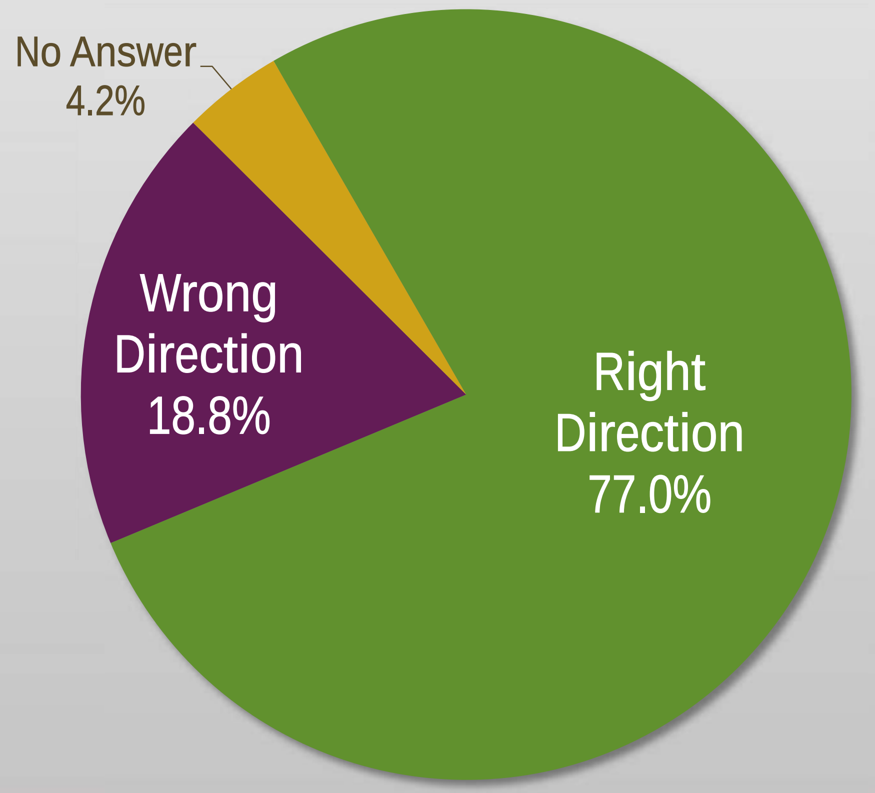
By Size Class; Q4 2016 vs. Q4 2015

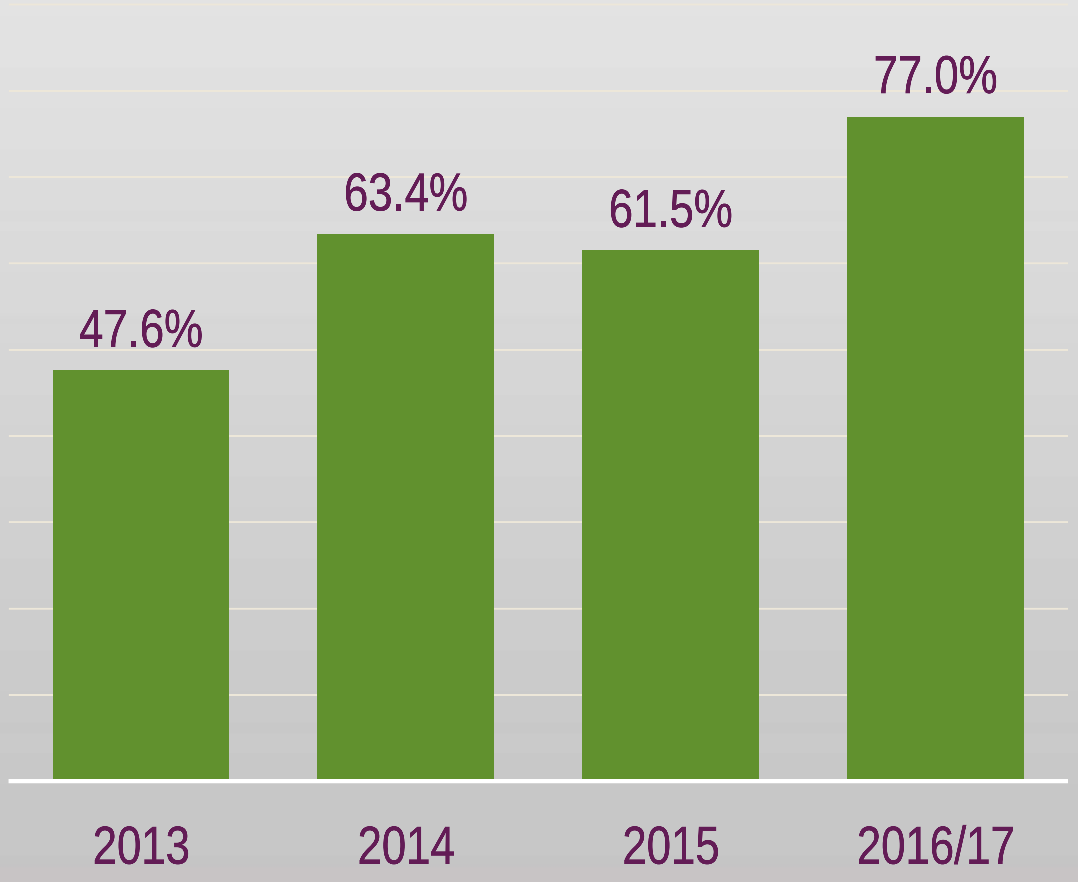
Growth	Size Class	Share of All Private Businesses
+1,401	Less than 10 Employees	75.4%
+103	10 to 19 Employees	11.7%
+207	20 to 49 Employees	8.1%
+37	50 to 99 Employees	2.6%
+50	100 to 249 Employees	1.6%
+19	250 or More Employees	0.6%

Share of All Private Businesses

Small Businesses are Optimistic about the Economy

Would you say Nevada's economy is heading in the right direction or the wrong direction?

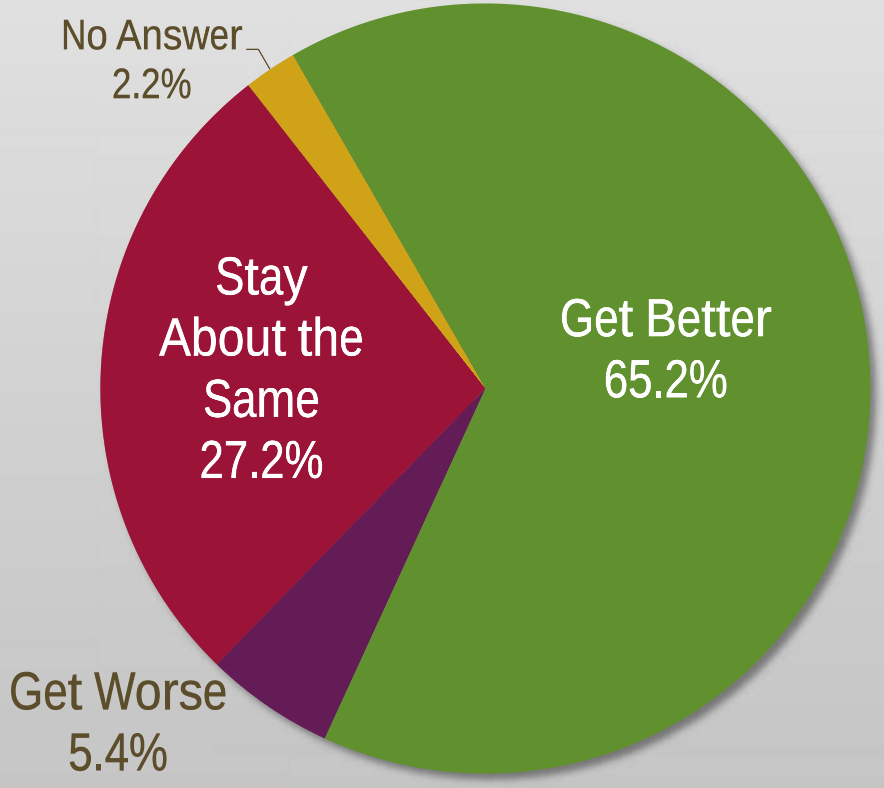


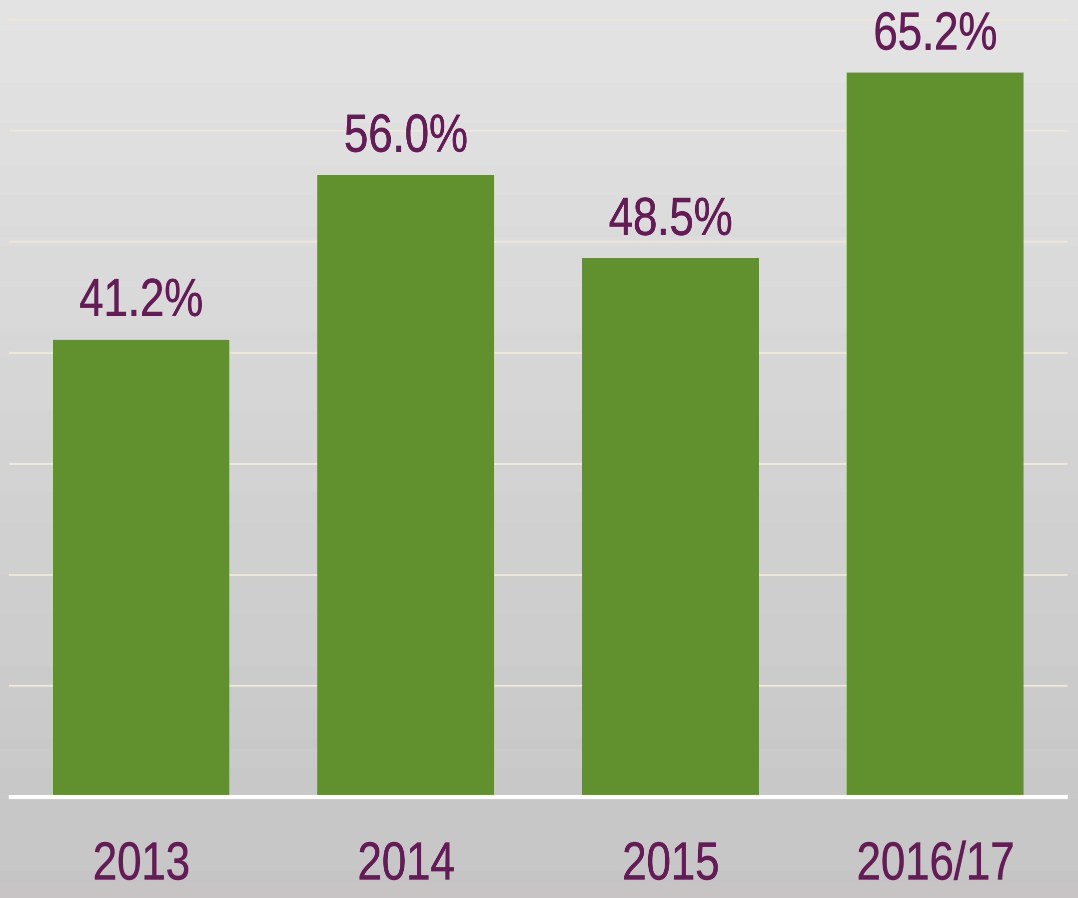


Source: Nevada State Bank Small Business Survey; Applied Analysis

Small Businesses Expect the Business Environment to Improve in the Next 12 Months

Do you expect Nevada's business environment to get better, get worse or stay the same over the next 12 months?





Source: Nevada State Bank Small Business Survey; Applied Analysis

Those who cannot remember the past are condemned to repeat it.

-- George Santayana

Arizona Developers Welcome Spillover From Las Vegas

Construction Sticker Shock

Optimism, Pricey Materials Help to Fuel a 10.5% Leap In the Cost of a New Building

By Alex Fran

Updated March

Condo-Mania in the 'Wild, Wild West'

Las V

Updated 11/13/2

Enlarge AP

have Sin City hemmed in. At the current building pace in the USA's fastest-growing major metro area, available acreage will be gone in less than a decade, developers and real estate analysts say.

and Orlando.

OBSERVER

The 'Manhattanization' of Las Vegas

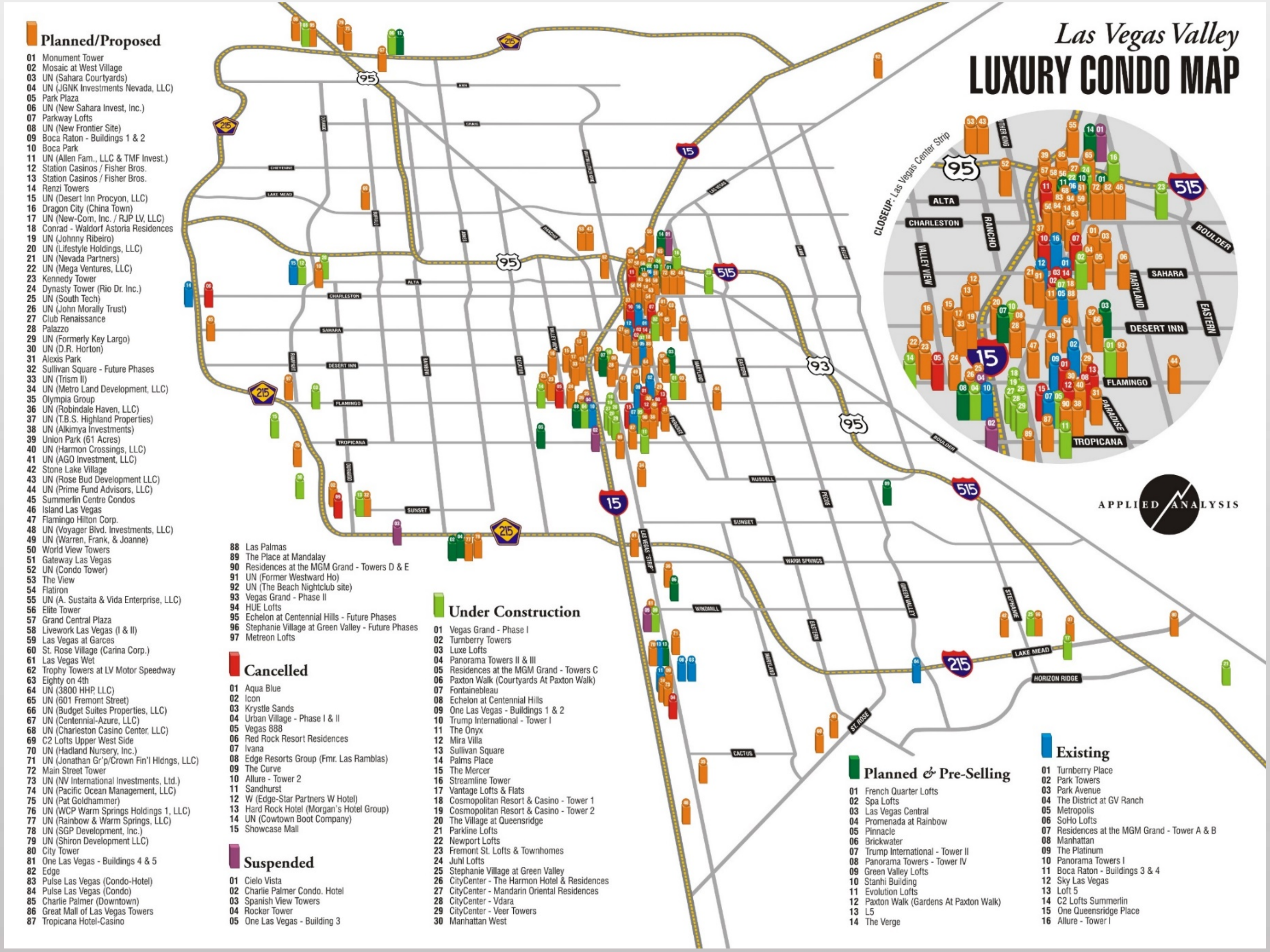
By Observer Staff • 02/18/06 3:24pm

Manhattan in Las Vegas.

Las Vegas has had a bad night these last few years. From one gamble to the next, the city keeps plunking down vast sums of money on new construction, and then can't drive themselves home.

Those who cannot remember the past are condemned to repeat it.

-- George Santayana



2017 LAS VEGAS PERSPECTIVE

JEREMY AGUERO

COMING FULL CIRCLE

APPLIED ANALYSIS

Recession

Downtown Summerlin: Stalled During Economic Downturn

Full Circle

Downtown Summerlin:
90%+ Occupancy & 1M Visitors/Month

Recession

ManhattanWest: Stalled During Economic Downturn

Full Circle

Gramercy:
Completed and Nearly Fully Occupied

Recession

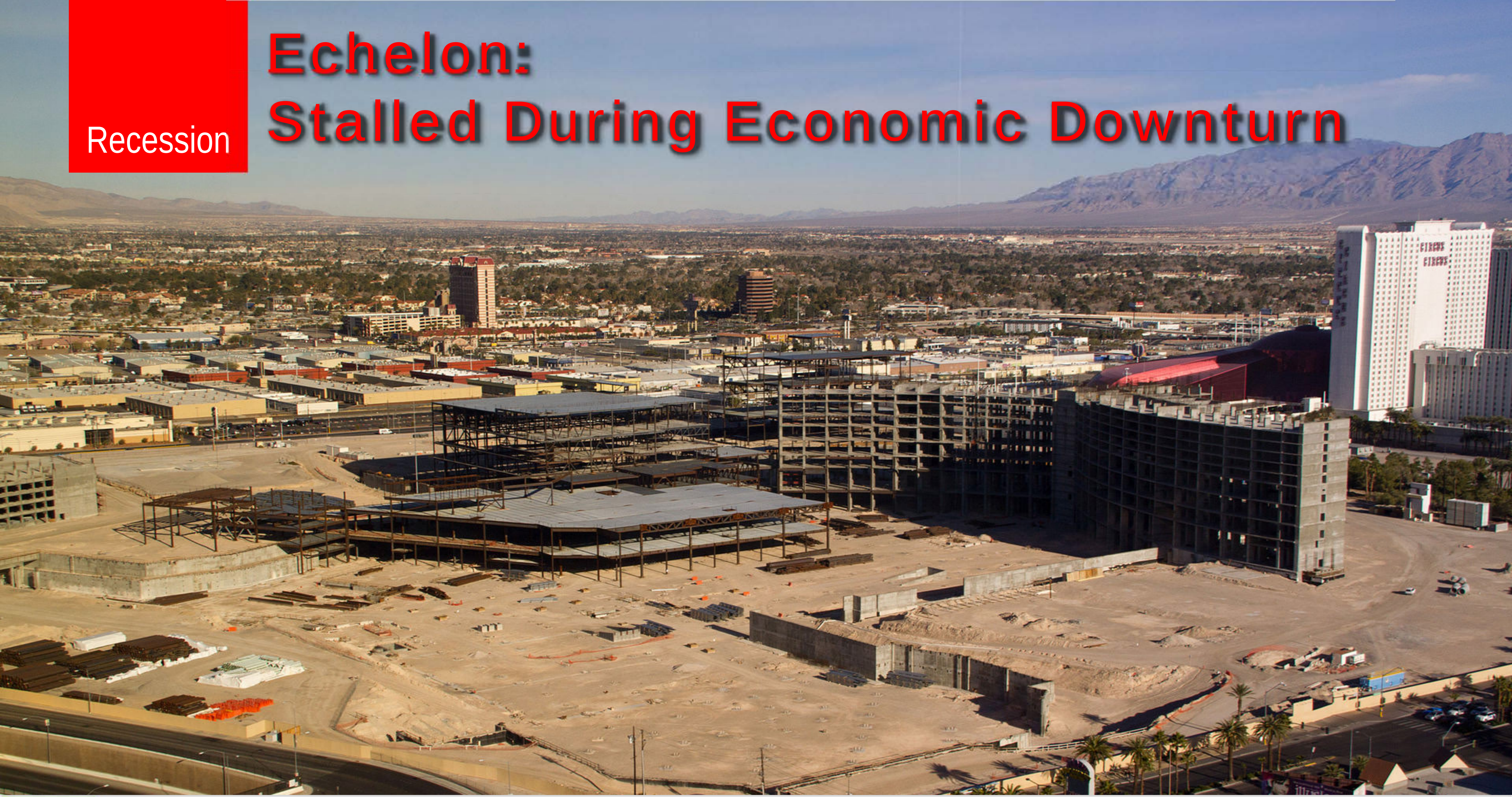
Kyle Canyon Master Plan
1,710 Acres: Foreclosed

Full Circle

Skye Canyon Master Plan: Full-Scale Development Underway

Recession

Echelon: Stalled During Economic Downturn

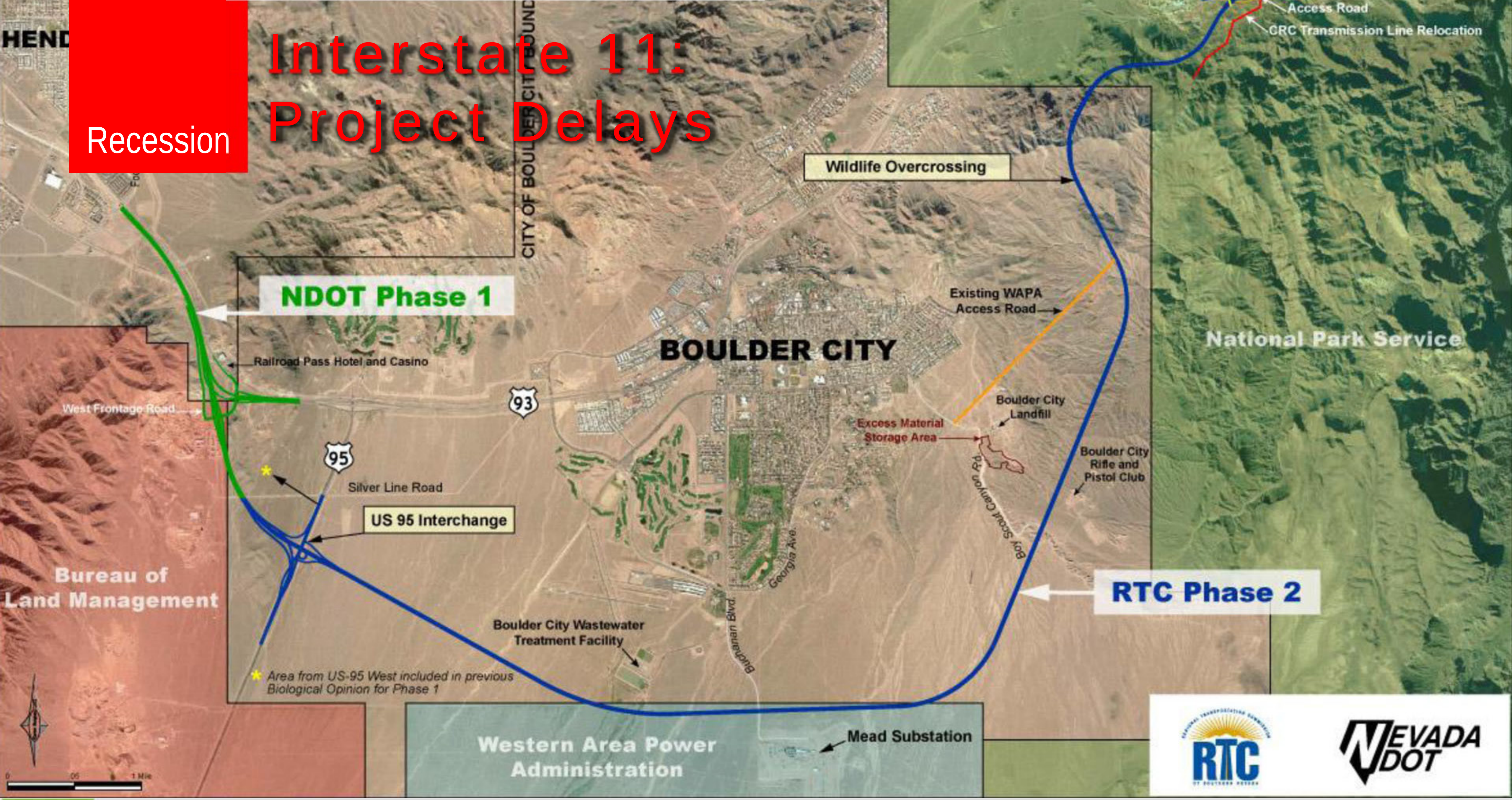


Full Circle

Resorts World Las Vegas: 2017 Revival

Recession

Interstate 11: Project Delays



Full Circle

Interstate 11: Moving Forward

Recession

CityCenter: Uncertainty During Development Phase

Full Circle

CityCenter: Succeeds and Adds T-Mobile Arena

Recession

South Strip Property:
62 Acres Foreclosed

Full Circle

Las Vegas Stadium: Land Acquired and Lease Approved

2017

LAS VEGAS PERSPECTIVE

JEREMY AGUERO

COMING FULL CIRCLE

APPLIED ANALYSIS