



C I T Y O F
RENO

Memorandum

DATE: October 21, 2025

TO: Mayor and City Council

THROUGH: Jackie Bryant, City Manager

FROM: Calli Wilsey, Director of Policy and Strategy
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DEPT: Office of Policy and Strategy

SUBJECT: Monthly Economic Update: October 2025

Staff is pleased to provide Council with this monthly update on key economic indicators. These updates aim to assist Council in making informed policy decisions by offering insights into interconnected topics such as the labor market, housing, tourism, consumer activity, and other critical economic drivers.

This memo provides an economic update featuring the most recent local data as of October 2025, highlighting key metrics and trends shaping the region's economic outlook. Many economic indicators have a lag time between their occurrence and when that data is released. Additionally, the data is released at various times throughout each month. The monthly economic update memo is meant to highlight new information that has been released since the last memo. To help explain what is new in each of these monthly updates, these memos will include a table for each indicator that details the following:

- The most recent date when the data for the indicator was released (*See: Most Recent Release Date*);
- The month or timeframe that the most recent data released represents (*See: Current Data Month*);
- If new data has not been released since the last memo, what version of the monthly memo you can find the most recent analysis (*See: Latest Memo with Analysis*); and
- The date when the next data set is expected to be released (*See: Next Release Date*).

Executive Summary:

The latest economic data for the Reno-Sparks Metropolitan Statistical Area (MSA) points to a largely stationary but resilient economy. Listed below is a summary of key highlights across the major segments we monitor relative to the Reno MSA:

Labor Market:

- The Reno MSA labor market remains stable, adding 2,100 jobs over-the-year (0.8%) with unemployment falling to 4.2 percent in August. While local conditions remain healthy, statewide data show modest signs of cooling, with an elevated unemployment rate in Southern Nevada, despite a low level of initial claims for unemployment insurance.

Tourism:

- The Reno MSA tourism sector held steady in August, with visitor counts, hotel occupancy, and gaming activity all roughly in line with last year. The summer season ended on a positive note, heading into fall.

Housing:

- The housing market in September 2025 showed slower sales activity but steady prices, with home values holding firm amid rising inventory, modest rent growth, and stable mortgage rates around 6.3%.

Consumer:

- Consumer activity in Washoe County remained steady, with taxable sales up 4.1% over-the-year and consumer confidence easing slightly amid ongoing concerns about prices and job availability. Overall, spending and economic conditions remain relatively stable across the region.

Economic Signals	
Upside Cushions	Downside Risks
<ul style="list-style-type: none">• Inflation Under 3%• Stable Home Prices• Stable Labor Market• Increasing Wages	<ul style="list-style-type: none">• Low Housing Supply• National Policy Uncertainty• Tariffs• Softening in Visitor Volume

This Month's Indicators:

Labor Market

Key indicators: unemployment, initial claims, job openings, and employment.

- August 2025 data shows that the Reno MSA labor market continues to remain stable by trending positively across all major indicators this month.
- Total employment in the Reno MSA grew 0.8 percent over-the-year, adding 2,100 jobs. This reflects growth at the low end of this year's observed range (0.8%–1.7%).
- The unemployment rate in the Reno MSA decreased over-the-month in August 2025 to 4.2 percent, down from 4.6 percent in July and 5.0 percent in August 2024 (not seasonally adjusted).
 - The Reno MSA continues to maintain an unemployment rate consistent with a healthy and stable labor market.

- Nevada’s statewide unemployment rate decreased slightly by 0.1 percentage point from July to August, reaching 5.3 percent (seasonally adjusted). Despite this improvement, Nevada still ranks near the top nationally, recording the second-highest unemployment rate in August, just below California (5.5 percent).
- In August 2025, Nevada reported 11,739 initial claims for unemployment insurance, a 6.6 percent decrease from July and a 2.9 percent decrease compared to August 2024. Despite the over-the-month uptick, initial claims remain low by historical standards and are near the 12-month average of 11,673.
 - The Department of Employment, Training and Rehabilitation (DETR) reported no new layoffs or business closures this month in Northern Nevada.

Broader Implication to the City:

- Positive job growth signals expanding industries, increased business activity, a growing labor market, and stronger consumer spending, which boosts City revenues through higher sales taxes and business-related fees. A low unemployment rate and fewer initial claims indicate a healthy labor market, supporting household spending and sustaining local revenue growth.

Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Employment - Reno MSA	BLS-CES	10/1/2025	Aug. 2025	This Memo	10/29/2025
Unemployment Rate- Reno MSA	BLS-LAUS	10/1/2025	Aug. 2025	This Memo	10/29/2025
Initial Claims - Nevada	DOL	9/30/2025	Aug. 2025	This Memo	10/31/2025
Job Openings - Nevada	BLS-JOLTS	9/17/2025	Aug. 2025	Sep. Memo	10/22/2025

Tourism

Key indicators: visitor volume, hotel occupancy rate, avg. daily room rate-hotels, and gaming win.

- Tourism activity in the Reno MSA was stable in August, with most key indicators remaining near or slightly above levels from the same period last year.
- In August 2025, the Reno MSA welcomed 398,291 visitors, an increase of just 250 visitors from August 2024, or a 0.1 percent over-the-year increase.
 - Key events and activities that typically attract visitors during the month of August include Hot August Nights, Buring Man, Nugget Rib Cookoff, Now or Never Music Festival, and the Lake Tahoe Shakespeare Festival.
- In August 2025, hotel occupancy rates increased to 76.6 percent, marking a 0.1 percent increase compared to August 2024.
- The average daily room rates for hotels in August were \$168.54 per night, down \$6.19 over-the-year but increased by \$13.83 from July.
- Reno’s gaming win in August rose by \$3.2 million (4.9%) compared to last year but declined by \$7.5 million (9.8%) from July, reflecting typical seasonal variation.

- August typically marks the end of the summer tourism season. This month’s performance was positive, though not significantly different from last year.

Broader Implication to the City:

- Tourism drives local spending that directly supports City revenues through room, sales, and property-related taxes, business license fees, and a variety of other fees the City collects. Strong visitor activity benefits hotels, restaurants, and entertainment venues, generating ripple effects across the local economy which helps sustain vital public services.

Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Visitor Volume	RSCVA	9/28/2025	Aug. 2025	This Memo	10/28/2025
Hotel Occupancy Rate	RSCVA	9/28/2025	Aug. 2025	This Memo	10/28/2025
Avg. Daily Room Rate - Hotels	RSCVA	9/28/2025	Aug. 2025	This Memo	10/28/2025
Gaming Win - Reno	GCB	9/30/2025	Aug. 2025	This Memo	10/30/2025

Housing

Key indicators: avg. single-family home prices, median days on market, 30-day fixed mortgage rates, and avg. apartment rent.

- The Reno MSA’s September housing market shows continued cooling in sales activity, while home prices remain stable due to persistent demand and limited inventory.
- In September 2025, the average value of a single-family home reached \$564,738 in the Reno MSA, up 0.4 percent over-the-year, but down 0.1 percent over-the-month.
- In September, the median time for a single-family home in Reno to go under contract was 66 days, 10 days longer than last September and 4 days slower than the national average. This marks the sixth consecutive month that homes are taking longer to sell compared to last year, indicating a potential slowdown in housing market activity.
- As of the second week of October, the average 30-year fixed mortgage rate is 6.27 percent, on par with the previous month and down from 6.72 percent this time last year.
- The average rent for all apartment types in the Reno MSA is \$1,764, reflecting a 4.6 percent or \$78 increase over-the-year. Rents have now increased for eight consecutive months compared to the same time last year.
- Housing inventory continues to rise, with 3.2 months of supply in September, up from 3.0 months in August. This marks the highest level in recent years and the sixth consecutive month of increasing inventory. Despite the rise, supply in the region remains relatively low.

Broader Implication to the City:

The health of the housing market impacts construction activity and related revenues such as building permits and real property transfer taxes. Stable home values help maintain the property tax base to fund essential City services. Rising rents and limited supply can highlight ongoing affordability challenges that affect residents discretionary spending and workforce housing needs.

Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Avg. Single Family Home Prices	Zillow	10/16/2025	Sep. 2025	This Memo	11/16/2025
Median Days on Market	Realtor.com	10/6/2025	Sep. 2025	This Memo	11/6/2025
Avg. Apartment Rent Prices	Zillow	10/16/2025	Sep. 2025	This Memo	11/16/2025
30-Day Fixed Mortgage Rates	Freddie Mac	10/11/2025	Sep. 2025	This Memo	11/6/2025

Consumer

Key indicators: Consumer Confidence Index (CCI), Washoe taxable sales, headline inflation, and avg. weekly wages in the Reno MSA.

- The Nevada Department of Taxation has implemented its first phase of their new tax system, “Modernize Your Nevada Tax” (MYNT).
 - The system shifts revenue accounting from a partial accrual basis to a cash basis, which will complicate historical comparisons.
- Washoe County reported \$1.1 billion in total taxable sales for July, up 4.1 percent over-the-year but up down 0.1 percent from June.
- The Consumer Confidence Index (CCI) measures how optimistic or pessimistic consumers feel about the economy and their personal finances, based on surveys of current conditions and future expectations. A value above 100 indicates greater consumer confidence compared to a baseline, while a value below 100 reflects lower confidence and potential caution in spending.
 - In September 2025, the CCI was 94.2, marking an 5.0-point decline over-the-year and a 3.6-point decrease from July.
 - Overall confidence weakened in September, declining to the lowest level since April 2025.
 - Consumers’ remain concerned about high prices, with expectations for inflation over the next year still hovering at elevated levels.
 - Notably, perceptions of current job availability declined for the ninth consecutive month.
 - Despite such concerns, other signals show the economy holding up.

Broader Implication to the City:

Higher wages strengthen Reno’s economy by boosting consumer spending and increasing sales tax revenues. Inflation is the rate at which prices for goods and services rise. However, inflation erodes consumer purchasing power and increases production costs for businesses. Unstable prices also greatly increase the uncertainty in forecasting City revenues and optimizing expenditures. Together, wage growth, inflation, and consumer spending shape overall consumer confidence, which directly influences the future revenue outlook.

Indicator	Source	Most Recent	Current Data Month	Latest Memo with Analysis	Next Release Date
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		Release Date			
Taxable Sales	Taxation	10/01/2025	July 2025	This Memo	11/01/2025
Average Weekly Wages	BLS-QCEW	9/9/2025	2025:Q1	Sep. Memo	12/3/2025
Consumer Confidence Index	Conference Board	9/23/2025	Sep. 2025	This Memo	10/28/2025
Headline Inflation	BLS-CPI	9/11/2025	Aug. 2025	Sep. Memo	10/23/2025

Special Topic: The Six Months of Consolidated Tax: Part Three – Real Property Transfer Tax

- In the next six months, our special topic will cover one of the six revenue sources that contribute to the consolidated tax. The City’s largest general fund revenue source.
- Consolidated Tax, or C-Tax for short, consolidates six distinct taxes into a single revenue pool. These funds are then distributed monthly to local governments and districts using a two-step allocation formula.
- More information about C-Tax can be found at Reno.Gov/Ctax
- The third source of revenue we will discuss is the real property transfer tax.

What is the Real Property Transfer Tax?

- Nevada’s real property transfer tax is paid by the buyer or seller in a real estate transaction that exceeds \$100.
- The tax is collected by the county recorders and the state portion is remitted to the Department of Taxation on a quarterly basis.
- Each county may withhold 1.0% of the taxes from the state portion as reimbursement to the county for collecting and remitting the state portion.
- Tax rate in Washoe County: \$2.05 per \$500 of property sales price in Washoe County.

Where Does the Revenue Collected From this Tax Go?

- Of every \$2.05 collected in Washoe County:
 - \$1.30 (63 percent) is deposited into the State General Fund
 - \$0.55 cents (27 percent) goes into the C-Tax system.
 - \$0.10 (5 percent) goes to the State Affordable Housing Program
 - \$0.10 (5 percent) goes to the Local Government Tax Act bucket to be split amongst various local entities in Washoe County.
- Of the six revenue sources that make up the C-Tax system, the RPTT is the fourth largest contributor.
- In FY 2025, only \$52.9 million in RPTT revenue was distributed to local governments, representing just 2.4 percent of the entire C-Tax distribution. By contrast, the supplemental city-county relief tax, the largest source, contributed \$1.5 billion.

Real Property Transfer Tax – Exemptions:

- Under NRS 375, certain property transfers are exempt from Nevada’s RPTT. These exemptions generally apply when ownership changes do not represent a true sale or when the transfer serves a public, family, or charitable purpose.
 - **Business Restructuring:** Transfers between related or commonly owned entities (not formed to avoid tax).
 - **Government Transfers:** To or from the U.S., State of Nevada, or any government agency.
 - **Ownership Corrections:** Transfers that simply recognize true ownership status or fulfill previously taxed contracts.
 - **Joint Ownership Changes:** Between joint tenants or tenants in common, with no payment exchanged.
 - **Family Transfers:** Between immediate family members (parent-child, spouse, etc.).
 - **Divorce Settlements:** Between former spouses per divorce decree.
 - **Trust Transfers:** To or from a trust, when no consideration is given.
 - **Mining Claims:** Transfers of unpatented mines or mining claims.
 - **Wholly-Owned Business Transfers:** To a business entity fully owned by the transferor.
 - **Transfer-on-Death Deeds:** Property conveyed upon death of the owner.
 - **Bankruptcy or Reorganization Plans:** Transfers made under approved bankruptcy or corporate/railroad reorganization proceedings.
 - **Nonprofit Foundations:** Transfers to educational, university, or library foundations recognized under Nevada law.
 - **Federal-to-County Title Clearances:** Temporary exemption (2023 AB143) for certain small counties clearing title to federal land.

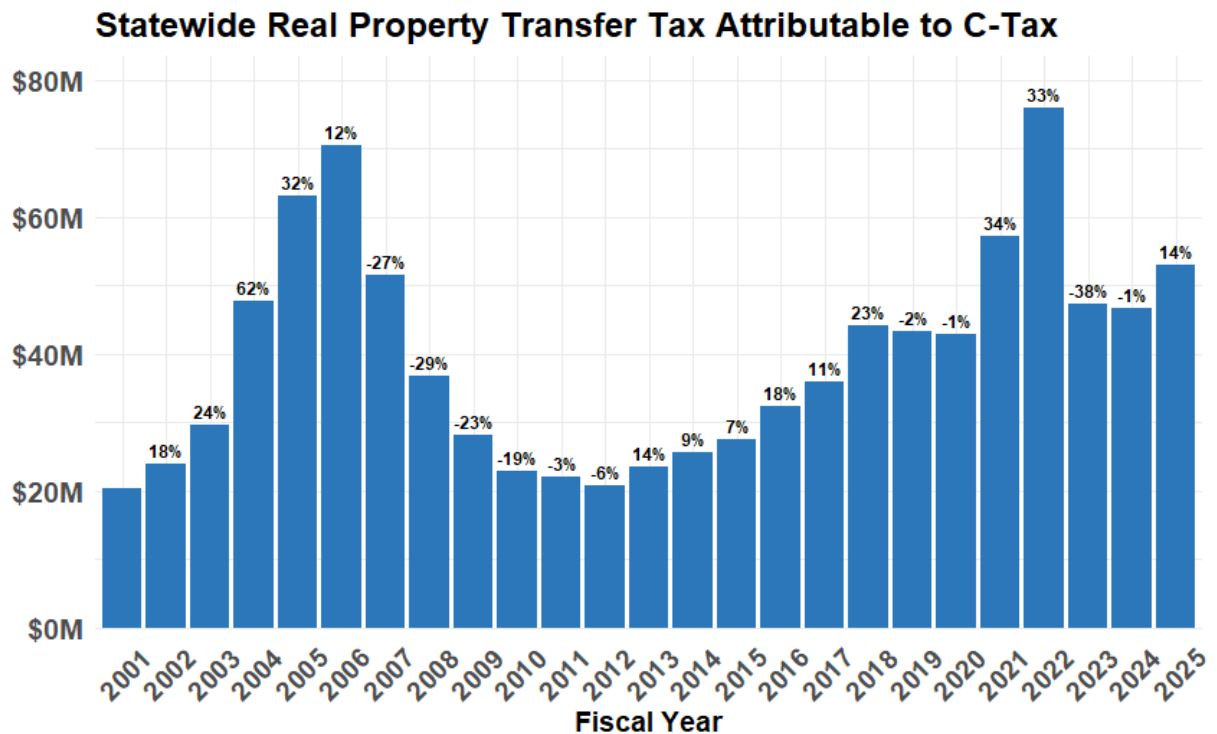
Volatility In Real Property Transfer Tax:

- The real property transfer tax (RPTT) is the most difficult of the six C-Tax revenue sources to forecast. This volatility stems from the many factors that influence real estate activity such as mortgage rates, housing supply and prices, job growth, development trends, and migration from California. Large, one-time transactions can also cause significant year-to-year swings, especially in smaller counties.

Historical Trends:

- The chart below shows only the portion of RPTT allocated to the C-Tax system by fiscal year.
- **Pre-Recession Boom:** Between FY2004 and FY2007, RPTT collections surged, peaking at \$70.5 million just before the Great Recession.
- **Recession Decline:** During the housing market collapse in 2008, Nevada’s property and job markets were among the hardest hit nationwide. By FY2012, RPTT revenues for all local governments had fallen to a low of \$20.7 million.

- **Pandemic Surge:** Following the onset of COVID-19 in 2020, 30-year mortgage rates dropped below 3 percent, and remote work combined with Nevada’s lower cost of living drove a surge of new residents from California. RPTT revenues reached a new record of \$75.9 million in FY2022.
- **Recent Normalization:** Since then, housing activity has cooled but stabilized. In FY2025, RPTT allocated to C-Tax totaled \$52.9 million, reflecting a return to more sustainable levels.



Source: Nevada Department of Taxation

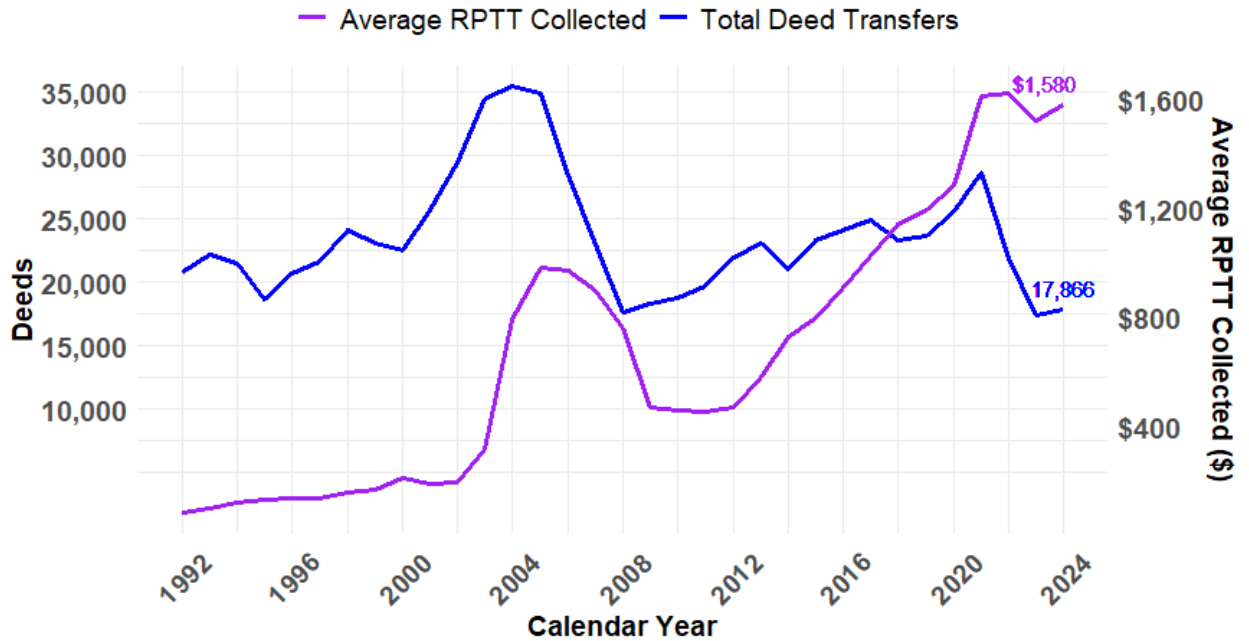
Local Market Dynamics:

- Because RPTT revenue attributable to C-Tax remains in the county where it is collected, local housing trends are critical to understanding revenue performance.
- Data from the Washoe County Recorder’s Office show that the number of deed transfers closely tracks RPTT revenue trends, rising before the Great Recession, plunging afterward, then surging after the pandemic before tapering off.
- A property deed is a legal document that officially transfers ownership of real property: such as a house, condo, or land from one party to another.
- When a property is sold, the seller (the grantor) signs the deed to convey the title to the buyer (the grantee) and the value of the property is then subject to the RPTT if it is worth more than \$100 dollars.
- The average RPTT collected per deed has steadily risen in Washoe County, signaling sustained housing demand and strong property values. While this measure reflects total RPTT collections and not just the portion distributed through C-Tax, it underscores that

even as sales volume has slowed, home prices remain resilient, likely due to factors such as limited housing supply, in-migration, and broader market conditions.

- These dynamics underscore why forecasting RPTT is inherently complex. Revenues are highly sensitive to economic cycles, interest rates, and underlying housing market trends.

Total Property Deed Transfers vs Average RPTT Collected Per Deed Washoe County: 1992 - 2024



Source: Washoe County Recorder's Office

Source link: <https://www.washoecounty.gov/recorder/statistics.php>