CITY OF RENO

Memorandum

DATE: August 12, 2026

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: July 2026

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 July 2026, 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:

Overall, indicator data in July's report showed the Reno metropolitan statistical area (MSA) economy is healthy, supported by a strong labor market, exceptional tourism activity for the region, stable housing conditions, and resilient consumer spending. 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 remained healthy in June supported by steady job growth, a low unemployment rate, and low unemployment insurance claims. While layoffs were announced elsewhere in Nevada, no significant new layoffs were identified in Northern Nevada.

Tourism:

- Tourism remained a key driver of the Reno MSA economy in June with the strongest June visitor volume in nearly a decade, higher hotel occupancy, and one of the highest monthly gaming win totals recorded in the past 26 years.

Housing:

- Reno MSA housing conditions remained resilient in June as tight inventory and steady demand continued to support home values. Homes sold faster than a year ago, mortgage rates eased modestly, and apartment rents continued to rise.

Consumer:

- Consumer activity remained resilient in June as Washoe County taxable sales continued to grow. Consumer confidence edged higher from May but remained below year-ago levels. Inflation declined sharply as lower energy prices provided temporary relief.

Economic Signals:

Upside Cushions	**Downside Risks**
• Housing Price Stability • Growth in Consumer Spending • Stable Labor Market • Positive Tourism Indicators	• Iran War/Oil Prices • National Policy Uncertainty • Low Housing Supply • Volatility in Inflation

This Month's Indicators:

Labor Market

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

- Over the past year, the Reno MSA has added jobs at a brisk pace. June data once again continued to show steady growth in the Reno MSA labor market with the numbers nearly mirroring last months.
- Employment in the Reno MSA grew 1.5 percent over-the-year, adding 4,200 jobs. This lands in the middle of the growth range observed so far this year (0.6 percent to 2.2 percent, seasonally adjusted) and reflects continued positive labor market expansion.

    - The largest over-the-year job gains occurred in trade, transportation, and utilities and professional and business services sectors this month.
- The Reno MSA unemployment rate remained unchanged from last month at 4.1 percent in June 2026 (not seasonally adjusted) and was 0.4 percentage points lower than June 2025.
    - The Reno MSA has posted an unemployment rate consistent with a healthy labor market for several years.
    - Nevada's statewide unemployment rate was 5.1 percent in June, down 0.1 percentage point from 5.2 percent in May (seasonally adjusted).
- In June 2026, Nevada reported 11,695 initial claims for unemployment insurance, an 8.6 percent increase from May and a 0.6 percent increase compared to June 2025.
    - Although initial claims for unemployment insurance increased this month, they remain low, below the 12-month average (11,771), and are also very low by historical standards.
    - The Department of Employment, Training and Rehabilitation (DETR) reported one new Worker Adjustment and Retraining Notification (WARN) notices impacting Reno.
        - No new layoffs were identified in Northern Nevada.
        - A notable WARN notice in Las Vegas came from FTGU, LLC, which will lay off 61 employees effective August 28, 2026.

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	7/21/2026	June 2026	This Memo	8/28/2026
Unemployment Rate - Reno MSA	BLS-LAUS	7/21/2026	June 2026	This Memo	8/28/2026
Initial Claims - Nevada	DOL	7/1/2026	June 2026	This Memo	8/1/2026
Layoff Notices - Reno MSA	DETR	7/1/2026	June 2026	This Memo	8/1/2026

Tourism

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

- The Reno MSA tourism sector continued its exceptional performance in June, marking a third consecutive month of strong activity. All major tourism indicators were up over the year, while gaming revenues remained robust.
- In June 2026, the Reno MSA welcomed 404,516 visitors, an increase of 47,499 visitors from June 2025, or a 13.3 percent increase.

- June recorded the highest visitor volume for any month of June since 2018, marking the strongest June tourism performance in nearly a decade.
- Key events and activities that typically attract visitors during the month of June include the Reno Rodeo, BBQ, Brews & Blues Festival, Juneteenth celebrations, and the start of summer tourism.

- In June 2026, hotel occupancy rates increased to 78.0 percent, marking a 9.1 percent increase when compared to the same month last year.
- The average daily room rates for hotels in June were $151.52 per night, up $1.00 over-the-year and down by $4.61 from May due to seasonality.
- Reno's gaming win in June increased by $13.8 million (20.2 percent) compared to last year and up by $11.1 million (15.8 percent) from May.
    - Reno's gross gaming win totaled $81.6 million, marking the second-highest nominal total recorded since July 2000—a 26-year high, surpassed only once.

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	7/28/2026	June 2026	This Memo	8/28/2026
Hotel Occupancy Rate	RSCVA	7/28/2026	June 2026	This Memo	8/28/2026
Avg. Daily Room Rate - Hotels	RSCVA	7/28/2026	June 2026	This Memo	8/28/2026
Gaming Win - Reno	GCB	7/28/2026	June 2026	This Memo	8/28/2026

Housing

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

- Overall, the latest Reno MSA housing data indicates that inventory remains tight while demand continues to stay resilient as we move into the summer season.
- In June 2026, the average value of a single-family home was $583,479 in the Reno MSA, up 0.5 percent over the year and up slightly from last month.
- In June, the median time for a single-family home in Reno to go under contract was 45 days, 1 day shorter than last June and 8 days faster than the national average.
    - This marks the fourth consecutive month in a year that homes are selling faster compared to last year.
    - Inventory remained low for both single-family homes and condo/townhome units at just 1.8 months of supply, down nearly 32 percent from last June. Sellers in the Reno housing market continue to maintain the upper hand over buyers.
- As of June 2026, the average 30-year fixed mortgage rate was 6.49 percent, lower than the previous month but down from 6.77 percent this time last year.

- The average rent for all apartment types in the Reno MSA is $1,798, reflecting a 6.6 percent or $111 increase over the year. Rents have now increased for 16 consecutive months.

Broader Implication to the City:

- The health of the housing market impacts construction activity and key revenue sources, including building permits, sales and use tax, and the real property transfer tax (both of which are included in consolidated 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	7/16/2026	June 2026	This Memo	8/16/2026
Median Days on Market	Realtor.com	7/8/2026	June 2026	This Memo	8/8/2026
Avg. Apartment Rent Prices	Zillow	7/16/2026	June 2026	This Memo	8/16/2026
30-Day Fixed Mortgage Rates	Freddie Mac	7/10/2026	June 2026	This Memo	8/10/2026

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 continues to implement their new tax system, "Modernize Your Nevada Tax" (MYNT).
    - The system shift continues to complicate historical comparisons.
    - Washoe County reported $1.1 billion in total taxable sales for May, up 8.2 percent over the year.
- 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. The index is based on a five-question survey with two questions related to present conditions and three questions related to future expectations.
    - In June 2026, the CCI was 91.2, representing a 4.0-point decrease over-the-year and a 0.6-point increase from a downwardly revised May.
    - Consumer confidence inched up in June as falling oil prices in recent weeks provided some relief to consumer inflation fears.
    - The CCI is based on five core survey components: two questions measuring current business and employment conditions (the "Present Situation"), and three questions assessing expectations for business conditions, employment, and household income over the next six months (the "Expectations").
    - The "Present Situation" declined in June as deteriorating views of current employment conditions outweighed a modest improvement in perceptions of business conditions.

- However, the “Expectations” increased this month due to consumers being more optimistic about future business conditions and household income six months from now.
- U.S. headline, seasonally adjusted inflation was 3.5 percent over the year in June 2026, down from 4.2 percent in May, a 0.7 percentage point decrease from the prior month.
  - The U.S. annual inflation rate posted its biggest decline in more than six years during June as a sharp decline in energy prices provided at least temporary relief from this year’s inflation surge.
  - This month’s decline takes the pressure off the Federal Reserve but there is concern that this relief will be short-lived as the war in Iran re-starts.
  - The Federal Reserve is unlikely to lower interest rates in the near term, as ongoing conflict involving Iran, has delayed expectations for future rate cuts.

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 Release Date	Current Data Month	This Memo	Next Release Date
Taxable Sales	Taxation	7/1/2026	May 2026	This Memo	8/1/2026
Average Weekly Wages	BLS-QCEW	6/2/2026	2025:Q4	June Memo	8/28/2026
Consumer Confidence Index	Conference Board	7/14/2026	June 2026	This Memo	8/14/2026
Headline Inflation	BLS-CPI	7/14/2026	June 2026	This Memo	8/12/2026

Special Topic: How does Nevada’s Property Tax Burden Compare to its National Counterparts?

- This month, we start our deep dive into property tax. Property taxes are such a vital funding source to local governments. Property tax is the City of Reno's second-largest General Fund revenue source, accounting for nearly 29 percent of General Fund revenues. It is also the largest revenue source for the Street Fund, providing nearly 70 percent of the FY 2026 budget.
- Across the nation, property taxes are the primary source of funding for many local government services, including police and fire protection, roads, parks, and libraries.
- Because states assess and tax property differently, comparing statutory property tax rates alone can be misleading. A more meaningful comparison is the effective property tax rate, which measures the average property tax paid as a percentage of the average owner-occupied home value.

- This analysis uses data from the 2024 American Community Survey (ACS) and the Tax Foundation to compare average effective residential property tax rates across all 50 states.
- The effective tax rate is calculated by dividing the average residential property taxes paid by the average owner-occupied home value. In this analysis this measure excludes commercial property, rental property, and other non-owner-occupied real estate.
- Effective tax rates provide a better measure of the property tax burden because they account for differences in home values across states. A higher property tax bill does not necessarily indicate a higher tax burden if home values are also substantially higher.
- Nevada's average effective residential property tax rate is 0.50 percent, meaning the average homeowner pays about $500 annually for every $100,000 of home value.
- Nevada ranks 43rd among the 50 states, making it the 8th lowest effective residential property tax burden in the nation and has a rate well below the national average.
- Among neighboring western states, Nevada has one of the lowest effective property tax rates. It is similar to Colorado (0.50 percent), Idaho (0.49 percent), Utah (0.48 percent), and Arizona (0.48 percent), and lower than California (0.70 percent), Oregon (0.81 percent), and Washington (0.75 percent).
- The highest-tax states, including New Jersey (1.88 percent), Illinois (1.88 percent), Connecticut (1.54 percent), and Vermont (1.51 percent), collect roughly three to four times more property tax relative to home value than Nevada.
- Nevada's relatively low property tax burden reflects longstanding state policies, including limits on property tax rates, annual depreciation of assessed value, caps on annual tax bill increases, and a variety of property tax exemptions.
- All told, while Nevada's low property tax burden benefits homeowners, it also limits one of the primary revenue sources available to local governments to fund public services and infrastructure.

Analysis Highlights

Measure	Nevada
Effective Residential Property Tax Rate	0.50%
National Rank	43rd (8th Lowest)
Compared to Highest-Tax States	Nevadan’s pay about ¼ as much
Compared to Western States	Among the lowest

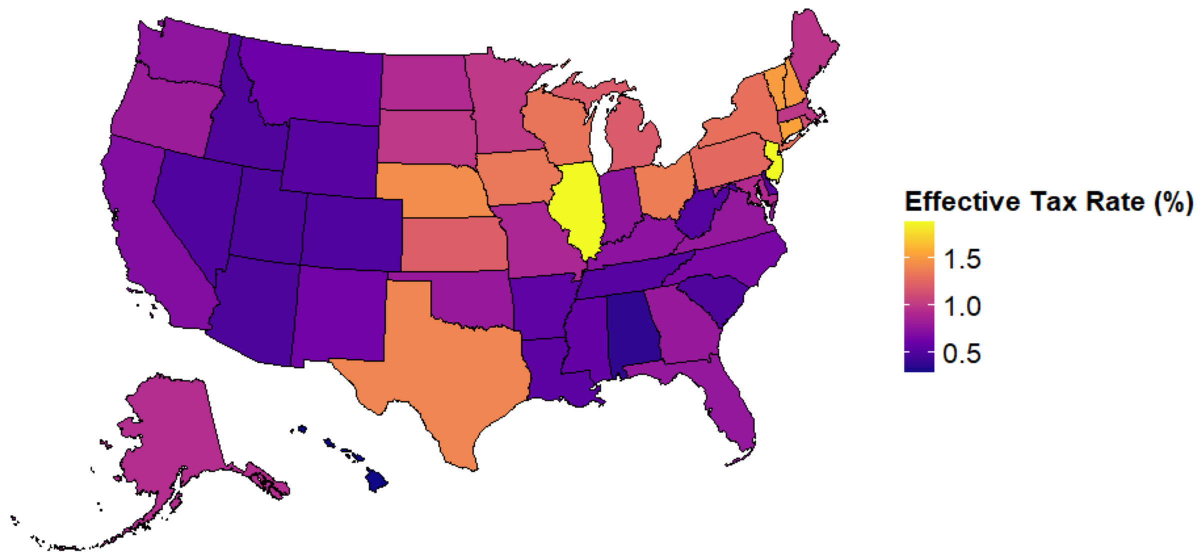
Important Analysis Caveats

- States use different methods to determine taxable value, including taxing full market value or only a percentage of market value.
- Many states apply assessment equalization, tax rate adjustments, or revenue limits that affect the amount of property tax ultimately collected.
- Property tax exemptions and abatements for veterans, seniors, nonprofits, and government-owned property vary significantly from state to state.

- Residential property is often taxed differently than commercial property. This comparison reflects only owner-occupied residential properties and does not represent the total property tax burden on all real estate.
- Because housing values vary considerably across states and local markets, effective tax rates provide a more consistent measure of the relative property tax burden than property tax bills or statutory tax rates alone.

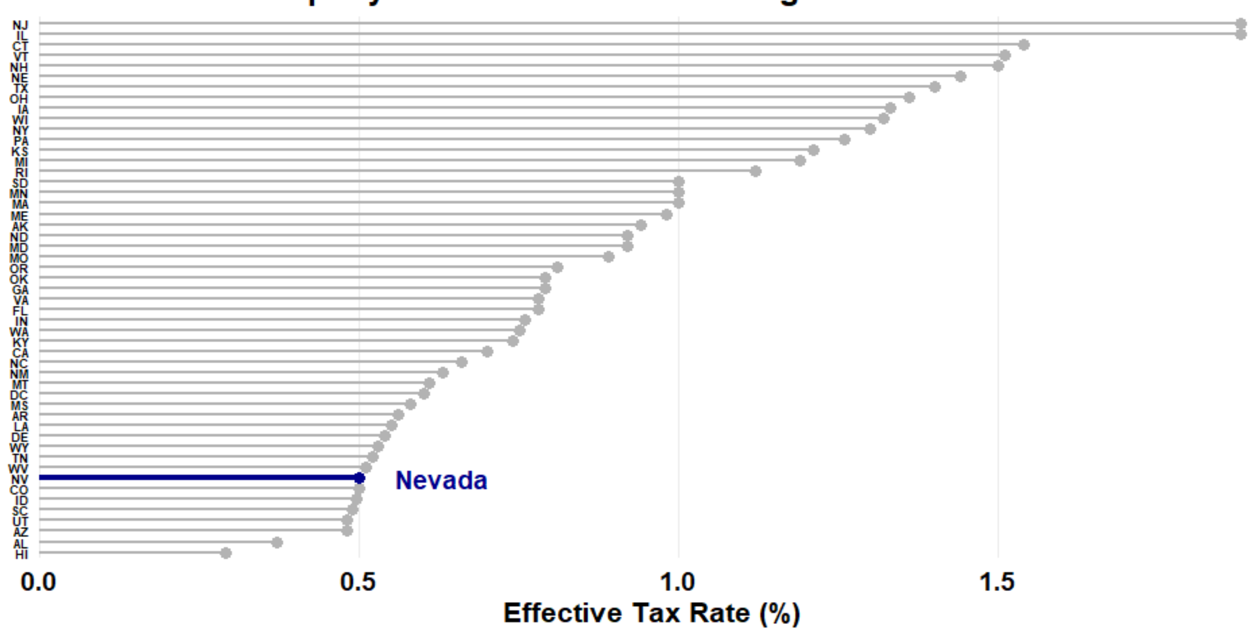
Property Taxes Paid as a Percentage of Owner-Occupied Housing Value, 2024

Effective Property Tax Rates by State



Source: US Census Bureau, 2024 American Community Survey; Tax Foundation calculations.

Property Taxes Paid as a Percentage of Home Value



Source: U.S. Census Bureau, 2024 American Community Survey; Tax Foundation calculations.Note: Figures represent mean effective property tax rates on owner-occupied housing (total real taxes paid ÷ total home value).Data exclude property taxes paid by businesses, renters, and others.