CITY OF RENO

Memorandum

DATE: November 13, 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: October 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 October 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, the data in October's indicator report shows that the Reno metropolitan statistical area (MSA) economy remains healthy and largely unchanged from last month, with a stable and expanding labor market, continued positive tourism numbers, steady housing prices, and higher consumer spending despite elevated inflation and low than typical consumer confidence. Listed below is a summary of key highlights across the major segments we monitor relative to the Reno MSA:

Labor Market:

- Nevada's labor market remains solid with steady job growth in the Reno area, low unemployment, and initial claims staying below historical averages. While a slight increase in upcoming Northern Nevada layoffs is on the radar, the overall labor market continues to show resilience, positive momentum, and continues to expand.

Tourism:

- The Reno MSA tourism sector is on track for a record year with September 2026 posting strong gains in visitor volume, hotel occupancy, and room rates compared to last year, despite the seasonal transition from the typically busy summer months to the slower fall season.

Housing:

- Overall, Reno MSA housing data for the month of September 2026 indicates that home prices remain stable, although supply continues to be very limited. Looking ahead, as mortgage rates remain relatively high, sales volume is expected to slow gradually, and prices should continue to stabilize. However, once mortgage rates start to trend downward, homes are likely to sell much more quickly and prices will increase.

Consumer:

- National consumer confidence remains subdued despite an October uptick while higher taxable sales in Washoe County reflect both steady spending and the effects of inflation. Rising costs, especially for fuel and electronics, continue to weigh on consumer sentiment and the headline inflation number in the United States, which increased this month.

Economic Signals:

Upside Cushions	**Downside Risks**
• Housing Price Stability • Growth in Consumer Spending • Stable Labor Market • Positive Tourism Indicators	• Iran War/Oil Prices • Down Tending Consumer Confidence • High Mortgage Rates • Volatility in Inflation

This Month's Indicators:

Labor Market

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

- September data continues to show steady gains in the Reno MSA labor market. Job growth accelerated slightly with gains spread across multiple industries.
    - Employment in the Reno MSA grew 1.8 percent over the year, adding 5,000 jobs. This month's job growth falls near the upper end of the lower range observed so far this year (0.3 percent to 2.2 percent, seasonally adjusted) and continues to reflect steady, positive labor-market expansion.
    - The largest over-the-year job gains occurred in education and health services and the professional business sectors this month.
- The Reno MSA unemployment rate remained unchanged from last month, holding at 3.5 percent in September 2026 (not seasonally adjusted) and was 0.8 percentage points lower than September 2025.
    - The Reno MSA has posted an unemployment rate consistent with a healthy labor market for several years and continues to remain healthy.
    - For perspective, Reno's unemployment rate this month represents approximately 10,707 unemployed individuals, compared to the city's all-time high of 52,118.
    - Nevada's statewide unemployment rate was 4.7 percent in September, down 0.1 percentage point from 4.8 percent in August (seasonally adjusted).
- In September 2026, Nevada reported 11,106 initial claims for unemployment insurance, a 3.4 percent decrease from August and a 1.7 percent increase compared to September 2025.
    - Initial claim levels remain low, below the 12-month average (11,692), and are also very low by historical standards.
- The Department of Employment, Training and Rehabilitation (DETR) reported a few Worker Adjustment and Retraining Notification (WARN) notices impacting Reno.
    - Geodis and Marella in Reno will both close in November, resulting in layoffs of 99 and 66 workers, respectively.
    - Additional significant closures will occur in Elko, where the Maverick Casino-Hotel and the Gold Country Inn and Casino will lay off 198 and 41 employees, respectively.

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	10/28/2026	Sep. 2026	This Memo	11/20/2026
Unemployment Rate - Reno MSA	BLS-LAUS	10/28/2026	Sep. 2026	This Memo	11/20/2026
Initial Claims - Nevada	DOL	10/1/2026	Sep. 2026	This Memo	11/1/2026
Layoff Notices - Reno MSA	DETR	10/1/2026	Sep. 2026	This Memo	11/1/2026

Tourism

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

- The Reno MSA's tourism sector continues to have a record year with September 2026 outperforming the same month last year across our selected key tourism indicators.
- In September 2026, the Reno MSA welcomed 375,738 visitors, an increase of 31,741 visitors from September 2025, or a 9.1 percent increase.
    - September recorded the highest visitor volume for any September since 2019.
    - Visitor volume in the Reno MSA is on pace for a record year, reaching levels no one has seen in nearly a decade.
    - Key events and activities that typically attract visitors during the month of September include the Great Reno Ballon Race, Street Vibrations Fall Rally, Glowing with PRIDE 5K Run, Sparks Ribb Cookoff, Nevada Wolfpack Football games, and Labor Day celebrations.
- In September 2026, hotel occupancy rates increased to 71.3 percent, marking a 5.2 percent increase when compared to the same month last year.
- The average daily room rates for hotels in September were $159.24 per night, up $9.22 over-the-year and down $9.17 from last month due to seasonality.
- Reno's gaming win in September decreased by $2.7 million (3.5 percent) compared to last September and was down $6.4 million (8.1 percent) from August.
    - The month-over-month decline in Reno is not unusual, as gaming activity typically slows during the transition from summer to fall.
    - In contrast, Sparks' gaming win increased 20.8 percent compared to September of last year.
    - This increase is unusually large for September and may reflect several contributing factors.
    - Sparks' 20.8 percent over-the-year increase was unusually strong for September and may reflect increased visitors from local events and travelers affected by the Floriston Fire's I-80 West closure. The increase also reflects a relatively weak September 2025, when gaming win was below recent historical levels.

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	10/28/2026	Sep. 2026	This Memo	11/28/2026
Hotel Occupancy Rate	RSCVA	10/28/2026	Sep. 2026	This Memo	11/28/2026
Avg. Daily Room Rate - Hotels	RSCVA	10/28/2026	Sep. 2026	This Memo	11/28/2026
Gaming Win - Reno	GCB	10/28/2026	Sep. 2026	This Memo	11/28/2026

Housing

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

- Reno MSA data shows home prices remain relatively stable despite very limited supply. With mortgage rates still high and increasing, sales should gradually slow down and inventory should increase.
- In September 2026, the average value of a single-family home was $578,806 in the Reno MSA, up 2.2 percent over-the-year and up slightly from a downwardly revised August.
- In September, the median time for a single-family home in Reno to go under contract was 54 days, 12 days shorter than last September and 7 days faster than the national average.
    - This marks the seventh 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 2.5 months of supply, down 14.7 percent from last September according to the Sierra Nevada Association of Realtors.
    - Sellers in the Reno housing market continue to maintain the upper hand over buyers, despite higher than typical mortgage rates.
- As of September 2026, the average 30-year fixed mortgage rate was 7.03 percent, which was up from 6.66 percent last month and up from 6.17 percent this time last year.
- The average rent for all apartment types in the Reno MSA is $1,878, reflecting an 8.9 percent or $153 increase over-the-year. Rents have now increased for 12 consecutive months as of September 2026.

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	10/16/2026	Sep. 2026	This Memo	11/16/2026
Median Days on Market	Realtor.com	10/8/2026	Sep. 2026	This Memo	11/8/2026
Avg. Apartment Rent Prices	Zillow	10/16/2026	Sep. 2026	This Memo	11/16/2026
30-Day Fixed Mortgage Rates	Freddie Mac	10/10/2026	Sep. 2026	This Memo	11/9/2026

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 $1.2 billion in total taxable sales for August, up 4.0 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 October 2026's CCI was 91.7, up from 84.2 in September 2026, but still reflecting a 3.8-point decrease compared to the same month last year.
    - This month's improvement was in line with retail gasoline prices increasing from September to October. Yet, despite the increase in October, consumer confidence remained on the long-term downward trend that's persisted over the past few years.
    - 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" improved in October as views of current employment and business conditions both rallied this month and were positive.
    - The Expectations Index improved in October, with expectations of business-condition, labor-market, and household-income expectations all rising modestly.
- U.S. headline, seasonally adjusted inflation was 3.7 percent over-the-year in September 2026, up 0.3 percentage point from the prior month.
    - U.S. inflation accelerated in September as gas, clothes, computer chips, consumer electronics, and airfares got more expensive, evidence that rising prices remain an economic challenge.
    - The AI buildout has driven up the cost of semiconductors and electronic components, leading to higher prices for consumer electronics like gaming devices, laptops, and smartphones.
    - U.S. headline inflation has exceeded the Fed's 2% target since March 2021. It had been easing in early 2026 but spiked after the U.S.'s conflict in Iran.

Broader Implication to the City:

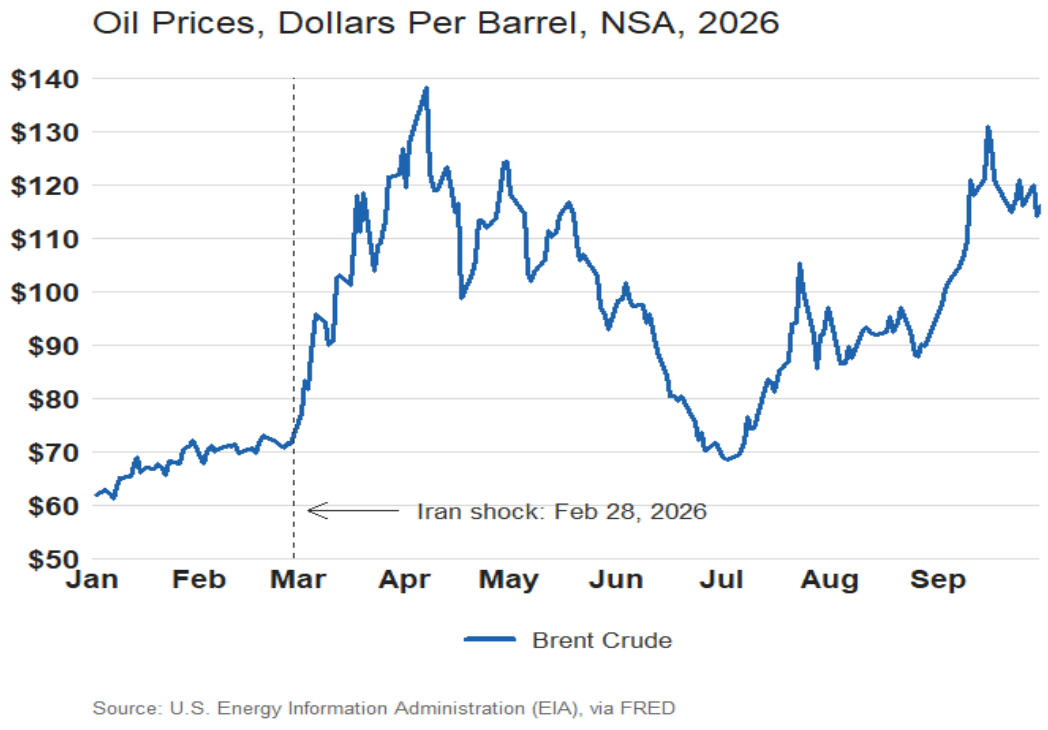
- Higher wages strengthen Reno's economy by boosting consumer spending and increasing sales tax revenues. Inflation is the rate at which prices for goods and services rise. However, inflation erodes consumer purchasing power and increases production costs for businesses. Unstable prices also greatly 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	10/26/2026	Aug. 2026	This Memo	11/28/2026
Average Weekly Wages	BLS-QCEW	8/28/2026	2026:Q1	Sep. Memo	12/2/2026
Consumer Confidence Index	Conference Board	10/27/2026	Oct. 2026	This Memo	11/30/2026
Headline Inflation	BLS-CPI	10/14/2026	Sep. 2026	This Memo	11/10/2026

Special Topic: Energy Prices and Inflation Outlook (2026-2027)

- With fuel costs remaining elevated throughout 2026, this month's special topic takes a closer look at global oil prices and their impact on U.S. inflation.
- Using data from the U.S. Bureau of Labor Statistics Consumer Price Index (CPI), we break down inflation based on its four major sub-categories: energy (gasoline and electricity), shelter (housing costs), food (groceries and dining), and other goods and services (retail products and other consumer expenses). This helps show how each category contributes to the overall inflation rate.
- Global oil prices increased sharply following the outbreak of conflict in the Middle East in February 2026. Prices briefly stabilized during U.S.–Iran negotiations over the summer before rising again as negotiations broke down.
- According to the U.S. Energy Information Administration, oil prices are expected to average around $90 per barrel in late 2026, down from recent levels of $115–$120. Prices could decline further to around $75 per barrel (near pre-conflict levels) by the end of 2027 if the conflict in the Middle East begins to ease.



Source: U.S. Energy Information Administration (EIA), via FRED

- A decline in global oil refining capacity has increased the cost of turning crude oil into gasoline, diesel, and jet fuel. As a result, gasoline prices and airfares may remain elevated even as crude oil prices decline, delaying cost savings for consumers and businesses.

- The inflation chart illustrates how energy, food, shelter, and other goods and services have contributed to U.S. inflation since 2019. Headline inflation peaked at approximately nine percent in 2022, driven in large part by rising energy prices. Inflation later slowed as energy prices declined and price increases across other categories began to ease.
- Inflation has remained above the Federal Reserve's two percent target for much of the past five years. Shelter costs have been a major driver of inflation since 2022, while energy prices have caused some of the largest short-term changes, particularly throughout 2026.
- In 2026, headline inflation increased to approximately 3.7 percent, largely due to rising energy prices. Energy contributed an estimated 1.2 to 1.4 percentage points, accounting for roughly 32 percent to 38 percent of overall inflation, or about one-third. Shelter, food, and other goods and services continue to contribute to overall price increases, although energy has been a major factor behind the recent rise.
- Inflation is expected to gradually decline throughout 2027 as global oil prices ease. However, elevated refining costs could slow this improvement, keeping gasoline, transportation, and other consumer prices higher for longer.
- If the conflict in the Middle East continues, oil prices and inflation could remain elevated for an extended period. Persistent inflation could make it more difficult for the Federal Reserve to lower interest rates, particularly if consumers and businesses begin to expect higher prices in the future.

