



C I T Y O F
RENO
Memorandum

DATE: October 7, 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: September 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 September 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 September's indicator report shows that the Reno metropolitan statistical area (MSA) economy remains healthy, supported by a strong labor market, continued tourism momentum, stable housing conditions, and resilient consumer activity despite a recent softening in national consumer confidence. 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 August, supported by steady job gains, a declining unemployment rate, low levels of initial unemployment insurance claims, and no new layoffs reported in Northern Nevada.

Tourism:

- The Reno MSA's tourism sector remained strong in August, setting a new all-time record for taxable room revenue and reaching visitor and occupancy levels not seen in nearly a decade. The region saw its highest visitor volume since 2017 for a month of August. It is important to note that the Hawk Fire's evacuation-related hotel discounts and large number of evacuees, likely had an impact on this month's tourism numbers.

Housing:

- The Reno MSA housing market remained stable in August with home prices holding firm among low inventory and continued seller leverage. Homes are selling faster than last year, mortgage rates remain steady at 6.66 percent, and apartment rents have continued their upward trend for over a year and a half consecutively.

Consumer:

- National consumer conditions softened in September as confidence declined to its lowest level since 2014, even as taxable sales and wages continued to grow and inflation remained elevated due to rising energy prices.

Economic Signals:

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

This Month's Indicators:

Labor Market

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

- August 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 0.8 percent over-the-year, adding 2,400 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 trade, transportation, and utilities and the education and health serves, and the construction sectors this month.
- The Reno MSA unemployment rate edged down half a percent from last month to 3.5 percent in August 2026 (not seasonally adjusted) and was 0.7 percentage points lower than July 2025.
 - The Reno MSA has posted an unemployment rate consistent with a healthy labor market for several years and continues to remain healthy. This month, Reno's rate fell to the lowest it's been since December 2021 when it was 3.2 percent.
 - Nevada's statewide unemployment rate was 4.8 percent in August, down 0.2 percentage point from 5.0 percent in July (seasonally adjusted). Nevada's unemployment rate fell below 5.0 percent for the first time since February 2020, over six years ago.
- In August 2026, Nevada reported 11,492 initial claims for unemployment insurance, a 4.0 percent decrease from July and a 3.4 percent decrease compared to August 2025.
 - Initial claim levels remain low, below the 12-month average (11,677), and are also very low by historical standards.
- The Department of Employment, Training and Rehabilitation (DETR) reported no new Worker Adjustment and Retraining Notification (WARN) notices impacting Reno.
 - In Northern Nevada no new business closures or layoffs were reported.
 - A few notable WARN notices were issued for business closures in Southern Nevada's leisure and hospitality industry this month, which will result in layoffs for 352 employees by the end of October 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	9/30/2026	Aug. 2026	This Memo	10/28/2026
Unemployment Rate - Reno MSA	BLS-LAUS	9/30/2026	Aug. 2026	This Memo	10/28/2026
Initial Claims - Nevada	DOL	9/1/2026	Aug 2026	This Memo	10/1/2026
Layoff Notices - Reno MSA	DETR	9/1/2026	Aug. 2026	This Memo	10/1/2026

Tourism

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

- The Reno MSA's tourism sector continues to strengthen into the new fiscal year with August 2026 setting a new all-time record for taxable room revenue in Washoe County.

Many tourism indicators are reaching levels not seen in nearly a decade for their respective months.

- It's important to note that the Hawk Fire influenced this month's tourism indicators. Beginning August 22, 2026, local hotels offered discounted room rates to support the residents who were required to evacuate. The fire, which occurred near Reno and reached full containment on September 9, 2026, likely had a measurable impact on August's tourism numbers.
- In August 2026, the Reno MSA welcomed 412,233 visitors, an increase of 19,352 visitors from August 2025, or a 3.5 percent increase.
 - August recorded the highest visitor volume for any August since 2017, marking the strongest August tourism performance in nearly a decade and continuing the ongoing trend of elevated tourism activity this year.
 - Key events and activities that typically attract visitors during the month of August include the Burning Man, Hot August Nights, Journal Jog 8K Run, Reno Aces baseball, and general summer tourism.
- In August 2026, hotel occupancy rates increased to 78.8 percent, marking a 2.2 percent increase when compared to the same month last year.
- The average daily room rates for hotels in July were \$168.41 per night, down \$0.13 over-the-year but up by \$7.40 from July.
 - August generated \$57.5 million in taxable room revenue, the highest total for any month on record and a 6.4 percent increase over August 2025.
- Reno's gaming win in August increased by \$0.8 million (1.0 percent) compared to last year and down by \$4.7 million (-5.8 percent) from July.

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	<u>RSCVA</u>	9/28/2026	Aug. 2026	This Memo	10/28/2026
Hotel Occupancy Rate	<u>RSCVA</u>	9/28/2026	Aug. 2026	This Memo	10/28/2026
Avg. Daily Room Rate - Hotels	<u>RSCVA</u>	9/28/2026	Aug. 2026	This Memo	10/28/2026
Gaming Win - Reno	<u>GCB</u>	9/29/2026	Aug. 2026	This Memo	10/28/2026

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 home prices remain stable. With supply still very limited, sellers continue to hold the upper hand in the market.

- In August 2026, the average value of a single-family home was \$580,124 in the Reno MSA, up 1.7 percent over-the-year and up slightly from a downwardly revised July.
- In August, the median time for a single-family home in Reno to go under contract was 51 days, 8 days shorter than last August and 9 days faster than the national average.
 - This marks the sixth 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 19.3 percent from last August. Sellers in the Reno housing market continue to maintain the upper hand over buyers.
- As of August 2026, the average 30-year fixed mortgage rate was 6.66 percent, which was unchanged from the previous month and up from 6.66 percent this time last year.
- The average rent for all apartment types in the Reno MSA is \$1,852, reflecting an 8.1 percent or \$139 increase over-the-year. Rents have now increased for 18 consecutive months as of August 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	9/16/2026	Aug. 2026	This Memo	10/16/2026
Median Days on Market	Realtor.com	9/8/2026	Aug. 2026	This Memo	10/8/2026
Avg. Apartment Rent Prices	Zillow	9/16/2026	Aug. 2026	This Memo	10/16/2026
30-Day Fixed Mortgage Rates	Freddie Mac	9/10/2026	Aug. 2026	This Memo	10/9/2026

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 July, up 12.3 percent over-the-year.
- The Bureau of Labor Statistics' (BLS) Quarterly Census of Employment and Wages (QCEW) program publishes a quarterly count of employment and wages reported by employers. This data is available at the county, MSA, state, and national levels by industry.

- The QCEW dataset has an approximate six-month lag but is often used as a benchmark for other BLS survey programs because it is based on actual counts of employment and wages rather than estimates or survey-based estimates.
- Using the most recent QCEW data, the first quarter of 2026 (2026:Q1) shows that average weekly wages across all industries in the Reno MSA increased, continuing the momentum of steady wage increases from the prior year.
- As of 2026:Q1, average weekly wages in the Reno MSA rose to \$1,455, an increase of \$67 or 4.8 percent over the same period last year. While this pace was slightly slower than 2025's average growth of 5.6 percent, it still outpaced both the national rate of 3.9 percent and the statewide average of 2.1 percent.
- Wage growth at the start of 2026 continued to outpace inflation in the Reno MSA, boosting workers' real purchasing power.
- 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 September 2026, the CCI was 81.9, representing a 6.7-point decrease over-the-year.
 - Consumer confidence fell sharply in September, reaching its lowest level since 2014, following two prior months of softening.
 - This month's decline reflected concerns about higher oil prices and ongoing inflation pressures.
 - 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 September as views of current employment conditions perceptions of business conditions both fell.
 - All the measures in the "Expectations" index also declined in September.
- U.S. headline, seasonally adjusted inflation was 3.4 percent over-the-year in August 2026, unchanged from July, and up 0.4 percentage point from the prior month.
 - Within the Consumer Price Index, energy propelled the headline number higher, as gasoline prices jumped 3.9 percent, accounting for more than one-third of the index's gain.
 - The energy index broadly rose 2.1 percent amid pressure from escalating tensions in the Middle East and was up 16.3 percent from a year ago.
 - Looking forward, rising oil, gasoline, and diesel prices are adding to concerns that higher energy costs could spill over into other goods and services and influence inflation expectations.

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.

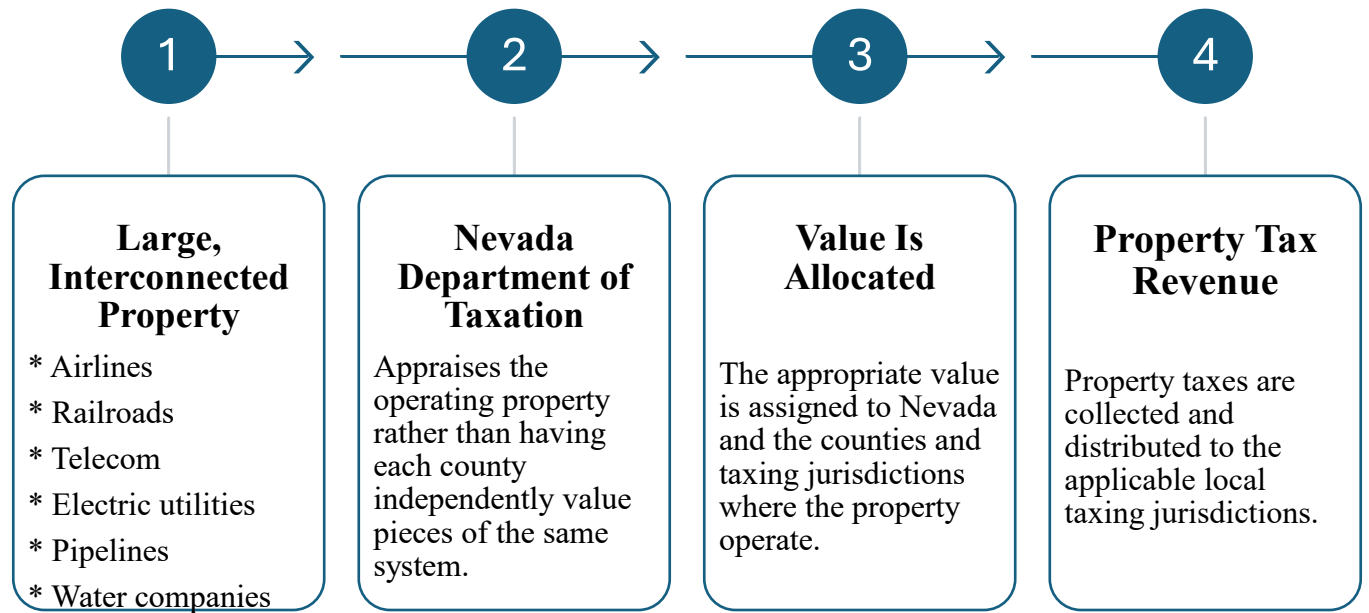
Unstable prices also greatly increase the uncertainty in forecasting City revenues and optimizing expenditures. Together, wage growth, inflation, and consumer spending shape overall consumer confidence, which directly influences the future revenue outlook.

Indicator	Source	Most Recent Release Date	Current Data Month	This Memo	Next Release Date
Taxable Sales	<u>Taxation</u>	9/25/2026	July 2026	This Memo	10/26/2026
Average Weekly Wages	<u>BLS-QCEW</u>	8/28/2026	2026:Q1	This Memo	12/2/2026
Consumer Confidence Index	<u>Conference Board</u>	9/29/2026	Sep. 2026	This Memo	10/30/2026
Headline Inflation	<u>BLS-CPI</u>	9/11/2026	Aug. 2026	This Memo	10/14/2026

Special Topic: Understanding Centrally Assessed Property

- This month, we continue our deep dive into Nevada’s property tax system by explaining centrally assessed properties and how they fit into the broader property tax system. Property taxes are a critical and relatively stable source of revenue for local governments, supporting essential services such as public safety, streets, parks, and other municipal services.
- Most homes and businesses in Nevada are valued for property tax purposes by the local county assessor. However, certain large utility companies that operate across multiple counties or states are valued by the Nevada Department of Taxation.
- These centrally assessed properties generally include operating property owned by airlines, railroads, telecommunications companies, electric utilities, gas pipelines, private railcar companies, and water companies.
- Centrally assessing these properties allows the State to value a company's interconnected operating system as a whole rather than requiring individual county assessors to separately value portions of the same system.
- After determining the value, the State allocates the appropriate portion to the counties where the company operates. Property taxes are then distributed to the applicable local jurisdictions.
- Approximately 300 interstate or intercounty properties are centrally assessed in Nevada under NRS 361.320.
- The Department of Taxation also values property associated with mining operations. These values are provided to county assessors for property tax purposes.

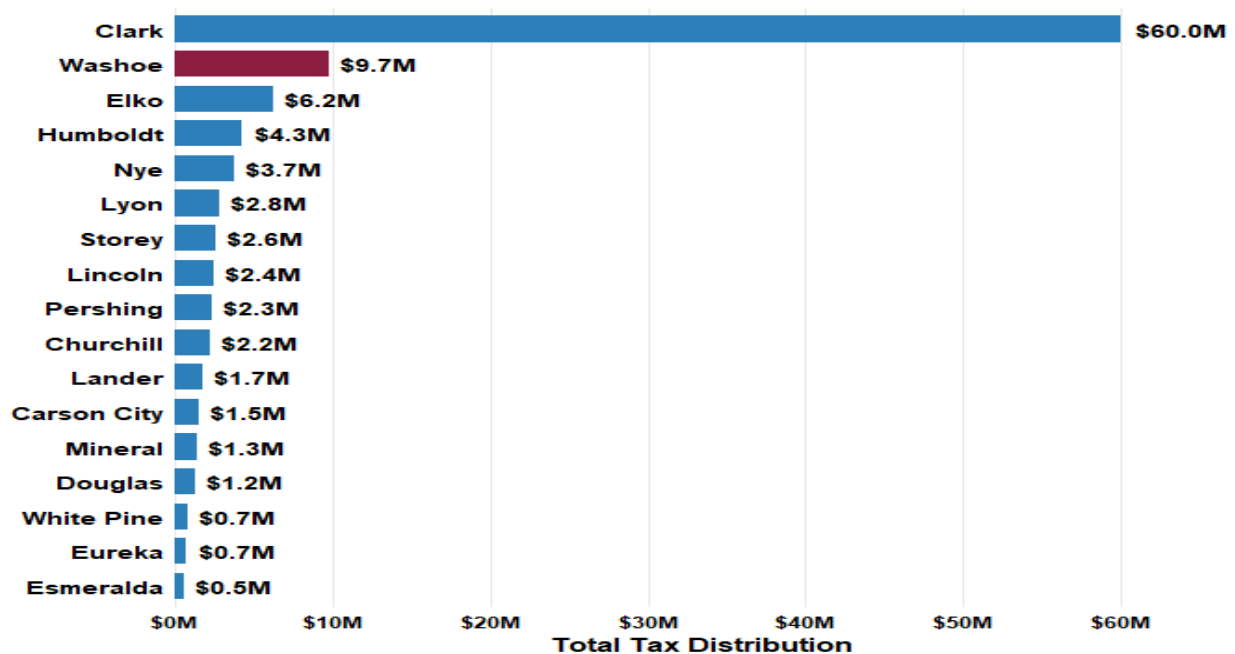
How The Centrally Assessed Property Process Works



Differences Between Locally and Centrally Assessed Parcels

Locally Assessed	Centrally Assessed
Homes, stores, offices, etc.	Utilities, railroads, airlines, etc.
County assessor determines value	Department of Taxation determines value
Property located primarily within the county	Operating systems cross county/state lines

Centrally Assessed Property Tax Distribution by County



Source: Nevada Department of Taxation, 2024–2025 Tax Year Interstate and Intercounty Valuations.