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**LAS VEGAS SUN**

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# In Business LAS VEGAS

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## Economic indicators increase slightly

By [Brian Wargo \(contact\)](#), In Business reporter

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A UNLV index that measures Las Vegas' economy rose modestly from May to June, meaning the sharp slowdown in the region has at least paused and given hope of a recovery starting in 2010, according to economist Keith Schwer.

June's Southern Nevada Index of Leading Economic Indicators, which measures economic data in April, is down 2.98 percent from June 2008, but is 0.06 percent higher than May, said Schwer, UNLV's Center for Business and Economic Research director.

The index is a forecast of Las Vegas' economy through Oct. 1.

"All in all, we may be starting to get around the corner," Schwer said. "We remain cautiously optimistic that a turn up in the index is forming — giving us some hope that a recovery may start in the next six months or so."

However, Las Vegas economist John Restrepo is not as optimistic as Schwer. In his analysis of the area's recovery, Restrepo, the principal at Restrepo Consulting Group, said a sustainable recovery won't be seen until 2011, assuming the job market turns around dramatically. Any recovery is more likely to be slower than the traditional "V" shape, he said.

"Our economy and community are fundamentally changed by the recession," Restrepo said.

Restrepo warned that Southern Nevada's commercial development industry will be severely affected by foreclosures because a tidal wave of commercial real estate defaults is gaining strength and won't peak until 2010.

The UNLV index has improved because April's visitor volume of 3.17 million — although lower than March's visitor volume — got higher marks after it was seasonally adjusted, Schwer said.

The Clark County Tourism Index improved for the third month in a row, though up a modest 0.79 percent over March.

"To be sure, this improvement is modest and has yet to gain enough momentum to curtail the recession, but clearly this is a glimmer of hope for better things to come," Schwer said.

That good news, however, was offset by the Clark County Business Activity Index. It fell in April by 1 percent and is 9.3 percent below where it was a year ago, Schwer said.

Construction remains weak with the Clark County Construction Index below values when the index started in 1995, Schwer said. Even though the index showed a one-month rise of 2.17 percent, it is still near the all-time low and its prospects for improvement remain weak, Schwer said.

“We lost about 15,000 construction jobs over the past year,” Schwer said. “With excess residential, commercial and industrial space, further contraction seems inevitable at this time.”

UNLV’s June index was aided because of a pickup in the value of commercial permits issued in April compared with March. The \$10.7 million value was 9 percent higher than March, but 80 percent below a year earlier.

All 10 index indicators were below year-ago numbers. Convention attendance was down 23 percent, gross gaming revenue was down 13.5 percent, taxable retail sales were off 17 percent and residential permits were down 46 percent.

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