

McAllen Area ECONOMIC PULSE

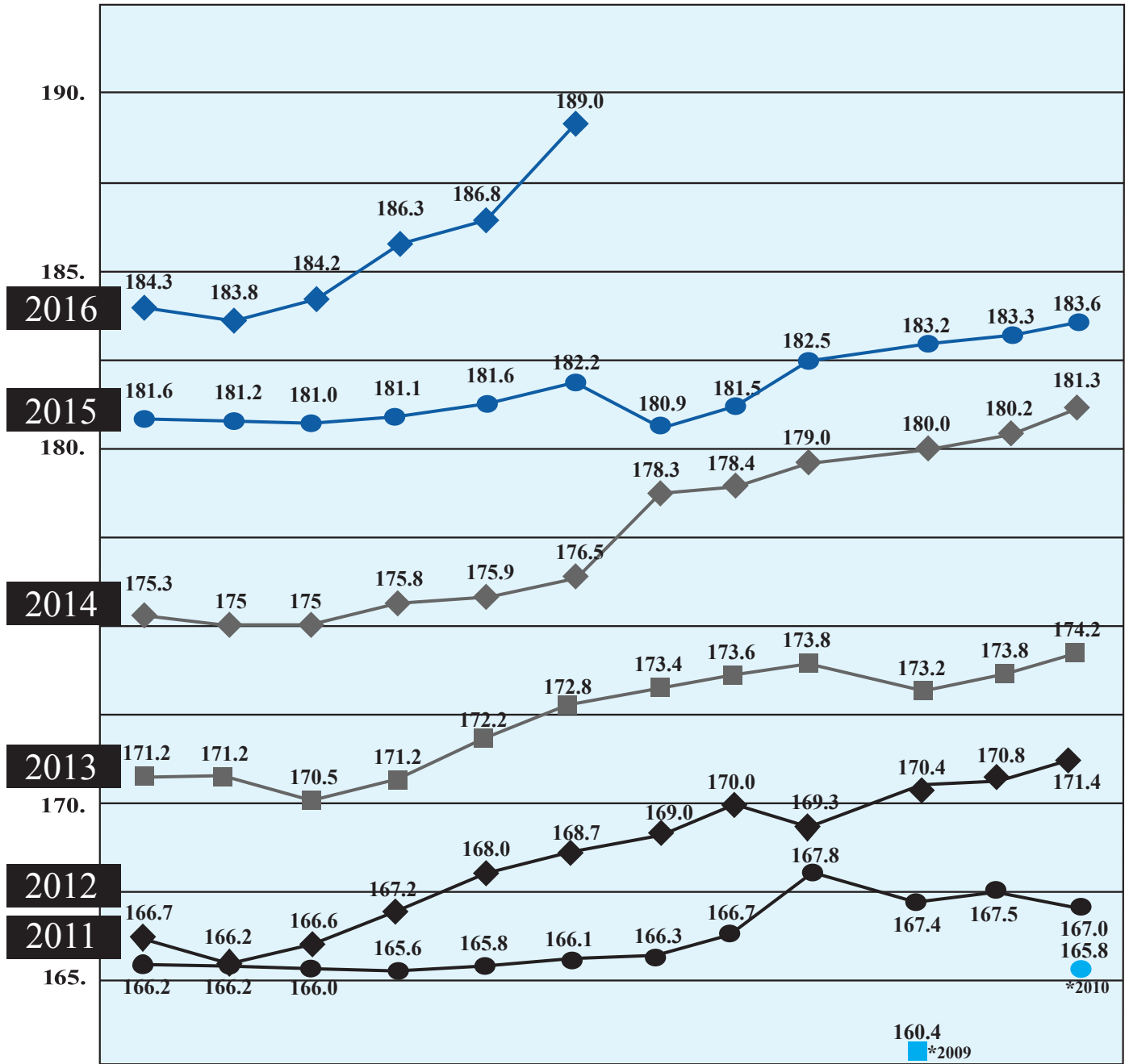
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June 2016 Economic Pulse

The McAllen Chamber of Commerce Economic Index

INDEX (Base=100 Jan 1996)

The economic indicators on pg. 2 are used to formulate the overall economic pulse.



Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sept. Oct. Nov. Dec.

● 2011 ◆ 2012 ■ 2013 ◆ 2014 ● 2015 ◆ 2016

ECONOMIC INDICATORS*	THIS YEAR June 2016	LAST YEAR June 2015	% CHANGE 2015 - 2016
Retail Sales (\$000's - Per June sales tax rebate)	\$428,476,740	\$458,258,859	-6.5%
Retail Sales (\$000's - 2nd Quarter)	\$1,411,536,944	\$1,450,554,072	-2.7%
Retail Sales (\$000's - Year-To-Date)	\$2,920,201,079	\$3,018,223,270	-3.2%
Dollars Spent on Auto Purchases (\$000's - June)	\$151,351,062	\$145,577,173	4.0%
Dollars Spent on Auto Purchases (\$000's - 2nd Qtr)	\$452,423,506	\$400,267,168	13.0%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$873,638,089	\$803,516,527	8.7%
Lodging Tax Receipts (June)	\$320,872	\$334,577	-4.1%
Lodging Tax Receipts (2nd Quarter)	\$950,596	\$1,035,404	-8.2%
Lodging Tax Receipts (YTD)	\$1,977,317	\$2,207,499	-10.4%
Airline Boardings (June)	35,620	40,284	-11.6%
Airline Boardings (2nd Qtr)	95,042	106,553	-10.8%
Airline Boardings (YTD)	179,952	196,995	-8.7%
Value All Construction Permits (June)	\$146,074,988	\$39,011,143	274.4%
Value All Construction Permits (2nd Qtr)	\$308,403,128	\$110,722,044	178.5%
Value All Construction Permits (YTD)	\$457,014,125	\$214,294,316	113.3%
New Home Permits (June)	147	115	27.8%
New Home Permits (2nd Qtr)	393	323	21.7%
New Home Permits (YTD)	737	629	17.2%
Home Sales (June)	245	230	6.5%
Home Sales (2nd Qtr)	637	684	-6.9%
Home Sales (YTD)	1,205	1,253	-3.8%
Average Home Sale Price (June)	\$149,718	\$145,591	2.8%
Average Home Sale Price (2nd Qtr)	\$146,335	\$138,856	5.4%
Average Home Sale Price (YTD)	\$140,805	\$133,373	5.6%
Dollar Volume Residential Real Estate Sales (June)	\$36,680,868	\$34,109,423	7.5%
Dollar Volume Residential Real Estate Sales (2nd Qtr)	\$93,352,227	\$96,895,454	-3.7%
Dollar Volume Residential Real Estate Sales (YTD)	\$170,235,603	\$170,863,253	-0.4%
Hidalgo Bridge Crossings (June)	454,341	450,903	0.8%
Hidalgo Bridge Crossings (2nd Qtr)	1,405,462	1,368,881	2.7%
Hidalgo Bridge Crossings (YTD)	2,763,213	2,644,075	4.5%
Peso Exchange Rate (June)	18.68	15.48	20.7%
Employment			
Wage & Salary Employment (June)	254,100	249,100	2.0%
Wage & Salary Employment (2nd Qtr Avg)	255,465	249,235	2.5%
Wage & Salary Employment (YTD Avg)	254,535	248,135	2.6%
Unemployment Rate (June)	5.1	5.4	-5.6%
Unemployment Rate (2nd Qtr Avg)	4.7	4.9	-5.4%
Unemployment Rate (YTD Average)	4.6	4.9	-6.4%
INDEX - June (Base=100 January 1996)	189.0	182.2	3.7%

* With the exception of the average monthly home sale price, all economic indicators expressed in dollar form above are adjusted for inflation by restating prior periods in current dollars

- The McAllen Economic Index surged ahead in June after finally achieving a new all-time record in May, increasing by over two full points to 189.0 for the month, up from 186.8 in May and up 3.7% from the June 2015 MEI of 182.2. A huge monthly building permit total propelled the index upward in June along with year-over-year increases in home building and existing home sales. General real spending remains below year-ago levels, but the metro area continues to add jobs at a modest but consistent pace.

- The real (inflation-adjusted) building permit valuation total was the highest ever for the month of June, and was the third-highest monthly total of all-time for any month (and was nearly four times the June 2015 total). The quarterly total was also a record for the second quarter, was the second-highest total for any quarter, and was up by nearly 180% year-over-year). The total through June is, in fact, a record total for the first six months of the year, and is well more than double the total for the same period in 2015.

- The home-building numbers (new single-family residence construction permits issued) is at its highest level since 2010 and is solidly improved compared to year-ago levels. The number of permits issued in the second quarter was up by over 20% compared to the second quarter of 2015, and the total through June is up by 17% compared to the first six months of a year ago.

- After a sharp decline in May, existing home sales returned to a positive year-over-year territory in June with the number of homes sold up by 6.5% compared to June of a year ago (an additional 25 sales); however, the quarterly total was down by about 7% compared to the second quarter of a year ago. The average price of those sales is significantly higher, up by over 5% for the quarter and for the year-to-date through June.

- The spending indicators remain mixed; general taxable spending was off by 2.7% in the second quarter (year-over-year) and the total midway through 2016 is down by some 3.2% compared to the first six months of 2015. Auto sales are higher, however, with inflation-adjusted spending on new and used motor vehicles at record levels, up by 13% for the quarter and nearly 9% for the year-to-date.

- The 2.0% employment growth rate is the smallest margin of year-over-year improvement thus far in 2016, but still indicates the addition of an estimated 5,000 jobs to the McAllen metro area economy over the last 12 months. Employment growth averaged 2.5% in the second quarter, and 2.6% in the first six months of the year.

- The declines in general spending are a bit perplexing, as there seems to be no particular reason spending should be down in 2016. Still, that will hopefully and likely correct in the coming months, and there is little reason to believe the McAllen economy will not continue to be a growth economy in the second half of the year.