

# McAllen Area ECONOMIC PULSE

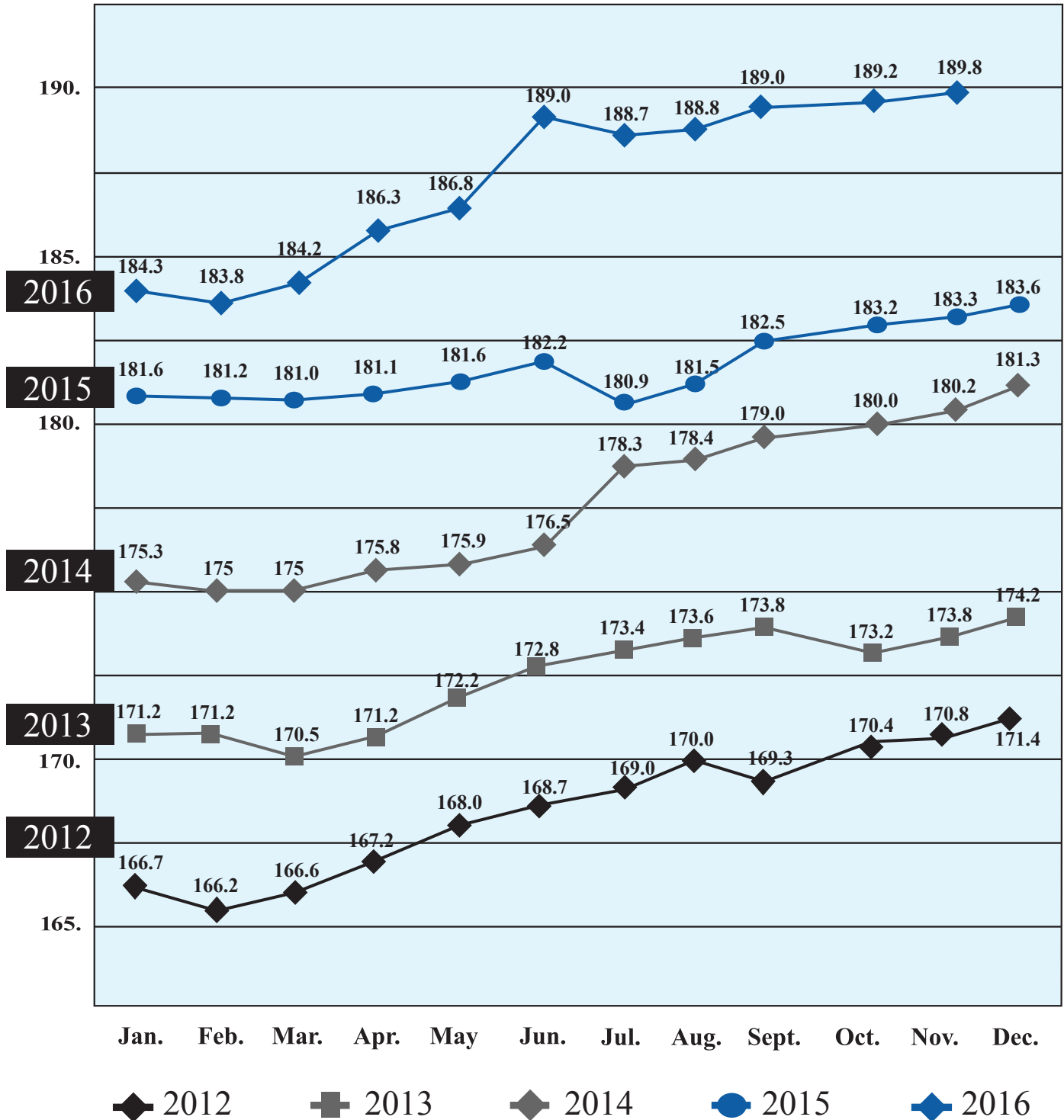
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## November 2016 Economic Pulse

### 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.



ECONOMIC INDICATORS*	THIS YEAR November 2016	LAST YEAR November 2015	% CHANGE 2015 - 2016
Retail Sales - Per Sales Tax Receipts (November)	\$495,088,534	\$504,844,079	-1.9%
Retail Sales - Per Sales Tax Receipts (Year to Date)	\$5,297,919,635	\$5,470,358,867	-3.2%
Dollars Spent on Auto Purchases (November)	\$124,616,808	\$122,137,618	2.0%
Dollars Spent on Auto Purchases (YTD)	\$1,549,089,643	\$1,480,721,045	4.6%
Lodging Tax Receipts (November)	\$304,556	\$372,785	-18.3%
Lodging Tax Receipts (YTD)	\$3,664,716	\$3,979,725	-7.9%
Airline Boardings (November)	29,401	32,452	-9.4%
Airline Boardings (YTD)	334,098	368,818	-9.4%
Value All Construction Permits (November)	\$58,578,439	\$31,745,706	84.5%
Value All Construction Permits (YTD)	\$751,173,805	\$423,426,544	77.4%
New Home Permits (November)	98	88	11.4%
New Home Permits (YTD)	1,302	1,217	7.0%
Home Sales (November)	185	147	25.9%
Home Sales (YTD)	2,221	2,348	-5.4%
Average Home Sale Price (November)	\$163,756	\$142,310	15.1%
Average Home Sale Price (YTD)	\$146,868	\$138,754	5.8%
Dollar Volume Residential Real Estate Sales (Nov.)	\$30,294,846	\$21,311,018	42.2%
Dollar Volume Residential Real Estate Sales (YTD)	\$328,728,835	\$334,540,291	-1.7%
Hidalgo Bridge Crossings (November)	475,540	468,148	1.6%
Hidalgo Bridge Crossings (YTD)	5,137,089	4,939,699	4.0%
Peso Exchange Rate (November)	20.14	16.63	21.1%
<b>Employment</b>			
Wage & Salary Employment (November)	259,800	250,700	3.6%
Wage & Salary Employment (YTD Avg)	254,625	247,735	2.8%
Unemployment Rate (McAllen City - November)	4.4	4.9	-10.2%
Unemployment Rate (YTD Average)	4.8	5.0	-4.5%
INDEX - November (Base=100 January 1996)	189.8	183.3	3.6%

\* 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 pattern of expansion in the McAllen general economy extended to seven full years in November, with the McAllen Economic Index improving to 189.8 for the month up from 189.2 in October, and up 3.6% from the November 2015 MEI of 183.3. The McAllen Economic Index troughed on the heels of recession at 160.3 in November 2009, and has generally been on the rise since then, and again that cycle of expansion reached 84 months in November 2016.

- Construction, home building, and existing home sales helped to fuel the November increase, along with strong employment growth and a declining McAllen city unemployment rate. General spending remains sluggish, though auto sales activity remains strong and in record territory.

- Construction activity in the McAllen metro area continues to put up some big numbers through November with real (inflation-adjusted) building permit valuations up by 85% compared to November 2015. The year-to-date total suggests the strongest year for construction since the onset of recession in McAllen in 2008, and real permit valuations are up by 77% compared to the first eleven months of 2015.

- Home building was higher for the month as well with 10 more permits issued in November 2016 compared to the previous year; through November, the number of new single-family residence construction permits is up by 7% compared to the January-November 2015 total.

- Existing home sales were sharply higher in November with the number of closed sales up by 26% compared to November 2015, and in fact the 185 sales for the month is the highest November monthly total since 2009. The average price of those sales was up by a whopping 15%, and the end result is a 42% year-over-year increase in the total real dollar volume of residential real estate sales activity in November. The year-to-date total is down just modestly, off by 1.7% compared to the total through November 2015.

- Over 9,000 jobs were added to the McAllen metro area economy over the last 12 months, and the 3.6% rate of year-over-year growth is tied with Dallas/Plano/Irving for tops among the state's 26 metro areas.

- The seven year expansion in the McAllen metro area economy is impressive. The rate of general growth over that period of time was lower than the pre-recession rates of growth (the flatter increase on the graph tells that story), meaning it took longer for the economy to fully recover from the recession of 2008-9 and surpass the early 2008 index peak. But that has now happened as of mid-2016, and the index has continued to increase since then.