

McAllen Area ECONOMIC PULSE

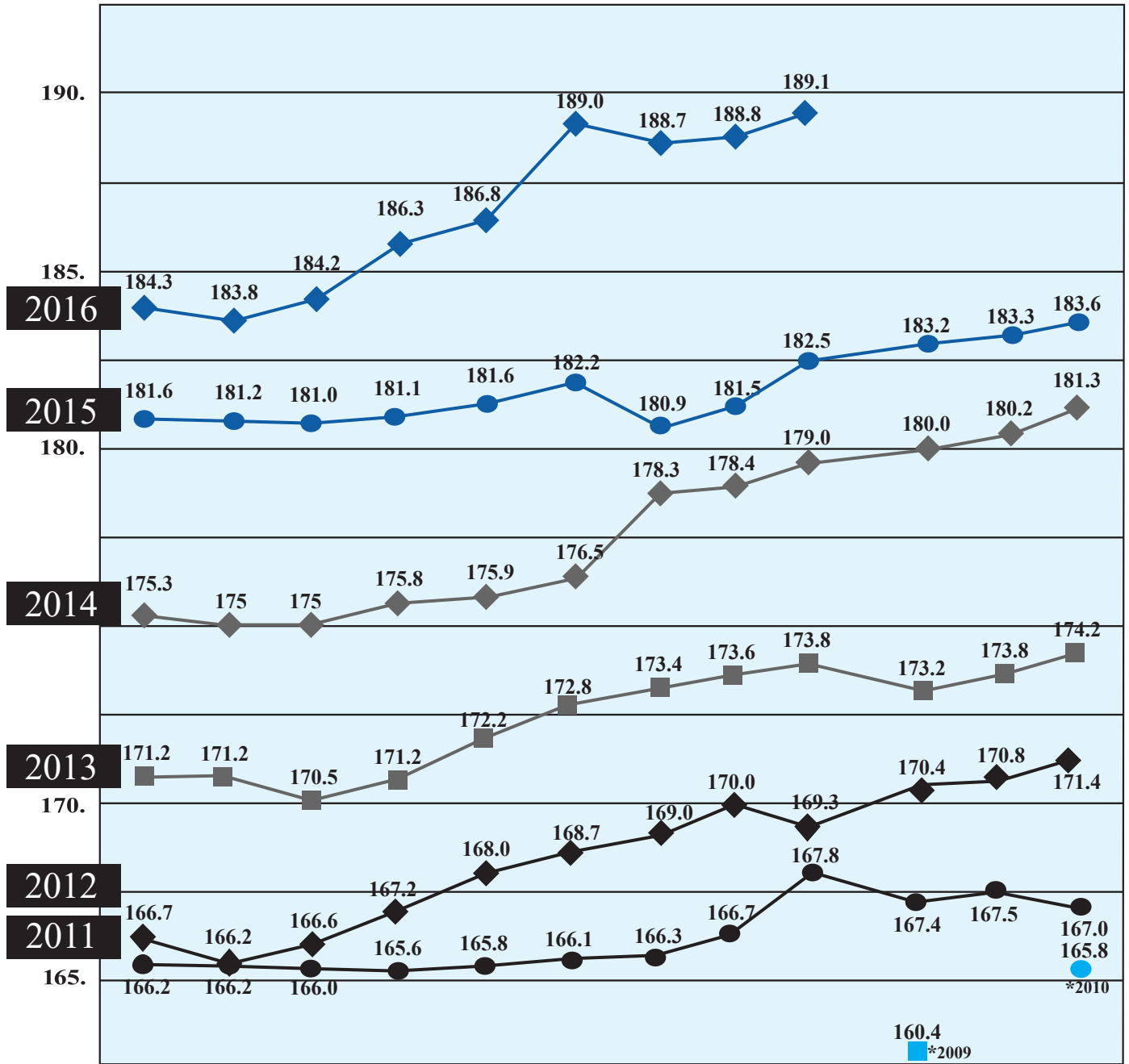
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September 2016 Economic Pulse

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.



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

ECONOMIC INDICATORS	THIS YEAR September 2016	LAST YEAR September 2015	% CHANGE 2015 - 2016
Retail Sales (Per September sales tax Receipts)	\$431,224,626	\$456,158,437	-5.5%
Retail Sales (3rd Quarter)	\$1,397,340,101	\$1,428,229,430	-2.2%
Retail Sales (Year-To-Date)	\$4,336,888,886	\$4,466,449,849	-2.9%
Dollars Spent on Auto Purchases (September)	\$138,431,552	\$138,731,495	-0.2%
Dollars Spent on Auto Purchases (3rd Qtr)	\$423,293,156	\$408,051,991	3.7%
Dollars Spent on Auto Purchases (YTD)	\$1,289,952,538	\$1,205,149,949	7.0%
Lodging Tax Receipts (September)	\$342,098	\$313,086	9.3%
Lodging Tax Receipts (3rd Qtr)	\$1,044,029	\$1,043,767	0.0%
Lodging Tax Receipts (YTD)	\$3,035,795	\$3,267,398	-7.1%
Airline Boardings (September)	28,303	29,042	-2.5%
Airline Boardings (3rd Qtr)	94,871	107,777	-12.0%
Airline Boardings (YTD)	274,823	304,934	-9.9%
Value All Construction Permits (September)	\$66,235,612	\$45,181,068	46.6%
Value All Construction Permits (3rd Qtr)	\$175,077,884	\$124,905,232	40.2%
Value All Construction Permits (YTD)	\$630,897,024	\$338,640,383	86.3%
Home Permits (September)	126	116	8.6%
Home Permits (3rd Qtr)	357	394	-9.4%
Home Permits (YTD)	1,094	1,023	6.9%
Home Sales (September)	191	237	-19.4%
Home Sales (3rd Qtr)	610	723	-15.6%
Home Sales (YTD)	1,815	1,976	-8.1%
Average Home Sale Price (September)	\$144,417	\$144,331	0.1%
Average Home Sale Price (3rd Qtr)	\$148,417	\$142,778	3.9%
Average Home Sale Price (YTD)	\$143,364	\$136,814	4.8%
Dollar Volume Residential Real Estate Sales (September)	\$27,583,557	\$34,843,240	-20.8%
Dollar Volume Residential Real Estate Sales (3rd Qtr)	\$90,694,805	\$105,325,097	-13.9%
Dollar Volume Residential Real Estate Sales (YTD)	\$261,751,873	\$277,012,844	-5.5%
Hidalgo Bridge Crossings (September)	462,999	450,378	2.8%
Hidalgo Bridge Crossings (3rd Qtr)	1,423,740	1,368,091	4.1%
Hidalgo Bridge Crossings (YTD)	4,186,953	4,012,166	4.4%
Peso Exchange Rate (per one US dollar - September)	19.22	16.84	14.1%
Employment			
Wage & Salary Employment (September)	255,300	247,100	3.3%
Wage & Salary Employment (3rd Qtr Avg)	252,100	245,365	2.7%
Wage & Salary Employment (YTD Avg)	253,800	247,210	2.7%
Unemployment Rate (September)	5.2	5.1	2.0%
Unemployment Rate (3rd Qtr Avg)	5.4	5.3	1.9%
Unemployment Rate (YTD Average)	4.9	5.0	-3.5%
INDEX - September (Base=100 Jan 1996)	189.1	182.5	3.6%

*Adjusted for Inflation by Re-Statting in Year 1995 Dollars

- The McAllen Economic Index managed another gain in September increasing to 189.1 for the month, up from 188.8 in August and up 3.6% from the September 2015 MEI of 182.5. Continued declines in general spending and existing home sales were offset by sharp increases in construction and solid employment growth.

- General real (inflation-adjusted) spending per September sales tax receipts continues to trend downward, registering a 5.5% decline compared to September of a year ago. Third quarter spending was off by 2.2%, and the total through September is down by nearly 3% compared to the first nine months of a year ago. Real auto spending was flat in September, but was up for the quarter as a whole, and is some 7% improved for the year-to-date.

- Employment growth in the McAllen metro remains impressive through September with a 3.3% rate of year-over-year employment growth, the highest thus far in 2016 and third best among Texas' 26 metro areas (Dallas-Plano-Irving topped the list at 4.2%, followed by Bryan-College Station at 3.8%). The McAllen city unemployment rate is up slightly for the month compared to September of a year ago (which was the lowest for the month of September over the entire history of the McAllen Economic Index analysis, which dates back to January 1996).

- The September monthly building permit valuation total was the highest for the month of September in over 10 years, and was up by over 46% compared to September of a year ago. The third quarter total was up a sharp 40% compared to the third quarter 2015, and for the year-to-date real building permit activity is over 86% higher than the January-September 2015 total. New housing construction permits were lower for the quarter, but remain up by about 7% for the year-to-date with the highest January-September total since 2010.

- Existing home sales continue to fall, however, with the number of closed Sales in September off by double-digit percentage points for the fourth time in the last five months (and each month of the third quarter). The number of sales through September is now down by 8% compared to the first nine months of a year ago. The average price of those sales remains firm, however, up by nearly 4% in the third quarter, and 4.8% through September compared to the average through the first three quarters of 2015.