

ECONOMIC INDICATORS*	THIS YEAR September 2017	LAST YEAR September 2016	% CHANGE 2016-2017
Retail Sales (September)	\$443,204,112	\$439,870,707	0.8%
Retail Sales (3rd Quarter)	\$1,392,493,838	\$1,425,356,074	-2.3%
Retail Sales (Year-To-Date)	\$4,231,275,767	\$4,423,840,615	-4.4%
Dollars Spent on Auto Purchases (September)	\$115,854,592	\$136,071,497	-14.9%
Dollars Spent on Auto Purchases (3rd Qtr)	\$373,122,771	\$416,405,138	-10.4%
Dollars Spent on Auto Purchases (YTD)	\$1,177,071,655	\$1,271,809,891	-7.4%
Lodging Tax Receipts (September)	\$254,142	\$346,557	-26.7%
Lodging Tax Receipts (3rd Qtr)	\$978,504	\$1,057,636	-7.5%
Lodging Tax Receipts (YTD)	\$2,909,659	\$3,075,363	-5.4%
Airline Boardings (September)	24,957	28,303	-11.8%
Airline Boardings (3rd Qtr)	87,602	94,871	-7.7%
Airline Boardings (YTD)	258,499	274,823	-5.9%
Value All Construction Permits (September)	\$33,146,671	\$68,185,731	-51.4%
Value All Construction Permits (3rd Qtr)	\$124,536,757	\$180,214,777	-30.9%
Value All Construction Permits (YTD)	\$445,927,821	\$649,415,883	-31.3%
New Home Permits (September)	105	126	-16.7%
New Home Permits (3rd Qtr)	368	357	3.1%
New Home Permits (YTD)	1,073	1,094	-1.9%
Home Sales (September)	196	191	2.6%
Home Sales (3rd Qtr)	735	610	20.5%
Home Sales (YTD)	2,133	1,815	17.5%
Average Home Sale Price (September)	153,988	144,417	6.6%
Average Home Sale Price (3rd Qtr)	\$157,569	\$148,417	6.2%
Average Home Sale Price (YTD)	\$154,877	\$143,364	8.0%
Dollar Volume of Home Sales (September in 1995\$)	\$30,181,634	\$28,295,067	6.7%
Dollar Volume of Home Sales (3rd Qtr)	\$116,103,009	\$93,034,250	24.8%
Dollar Volume of Home Sales (YTD)	\$333,103,790	\$268,503,685	24.1%
Hidalgo Bridge Crossings (September)	440,884	462,999	-4.8%
Hidalgo Bridge Crossings (3rd Qtr)	1,339,001	1,423,740	-6.0%
Hidalgo Bridge Crossings (YTD)	4,026,996	4,186,953	-3.8%
Peso Exchange Rate (September)	17.82	19.22	-7.3%
Employment			
Wage & Salary Employment (September)	255,500	252,500	1.2%
Wage & Salary Employment (3rd Qtr Avg)	254,665	249,565	2.0%
Wage & Salary Employment (YTD Avg)	256,633	251,345	2.1%
Unemployment Rate (McAllen City - September)	4.8	5.7	-15.8%
Unemployment Rate (3rd Qtr Avg)	5.2	5.9	-11.9%
Unemployment Rate (YTD Average)	5.6	5.4	2.9%
INDEX - February (Base=100 August 1996)	184.6	187.9	-1.7%

* 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 metro area economy continues to exhibit general sluggishness through the third quarter 2017 with the McAllen Economic Index declining by a full point, falling to 184.6 for the month down from a revised 185.6 in August, and down 1.7% from the September 2016 MEI of 187.9. The pattern of mild contraction was evident in the third quarter as well with an annualized rate of decline in the McAllen Economic Index of 1.8% over the course of the quarter.

- The consumer sector continued to weaken in the third quarter; general real (inflation-adjusted) spending per third quarter sales tax receipts (McAllen, Edinburg, Mission, and Pharr) was down by 2.8% compared to the third quarter of a year ago, marking the seventh straight quarterly year-over-year decline in general taxable spending. Real auto spending was down sharply in the third quarter, posting a 10.4% decline compared to the third quarter 2016, the fourth straight quarterly decline in auto sales activity. Auto spending is now down by 7.4% through September compared to the first nine months of a year ago.

- Border activity is also weighing on the index and the local economy with declines in bridge crossings and a generally unfavorable (to commerce on the US side) peso-dollar exchange rate, though it is somewhat better off compared to the exchange rates from a year ago.

- Travel and tourism is on the wane as well with hotel/motel activity down by 7.5% in the third quarter (and a sharp 27% in the month of September) and airport activity down by nearly 8%; both hotel/motel tax receipts and airline passenger enplanements are down by 5-6% for the year-to-date.

- Construction activity across the metro area is down significantly compared to a relatively strong 2016 with the real valuation of all building permits down by over 30% in the third quarter (and over 50% in September), and by over 31% for the year-to-date. New housing construction was slightly improved in the third quarter but remains slightly lower for the year-to-date.

- The metro area residential real estate market continues to be one of the few components of the McAllen Economic Index that is consistently well-performing as the sector remains well into record territory. The number of closed sales in the third quarter and the first nine months of the year are record totals, and are up by over 20% and nearly 18%, respectively. The average price of those sales is solidly higher year-over-year, posting increases of 6% in the third quarter and 8.0% for the year-to-date.

- The current estimates continue to reflect steady employment growth, though the margin of year-over-year improvement narrowed in September to 1.2%, the lowest thus far of 2017 and down from an average 2.2% for the prior eight months of the year. The McAllen city unemployment rate of 4.8% is the lowest September unemployment rate over the entire history of the McAllen Economic Index, and is down from the 5.7% rate of unemployment in September 2016.