

McAllen Area ECONOMIC PULSE

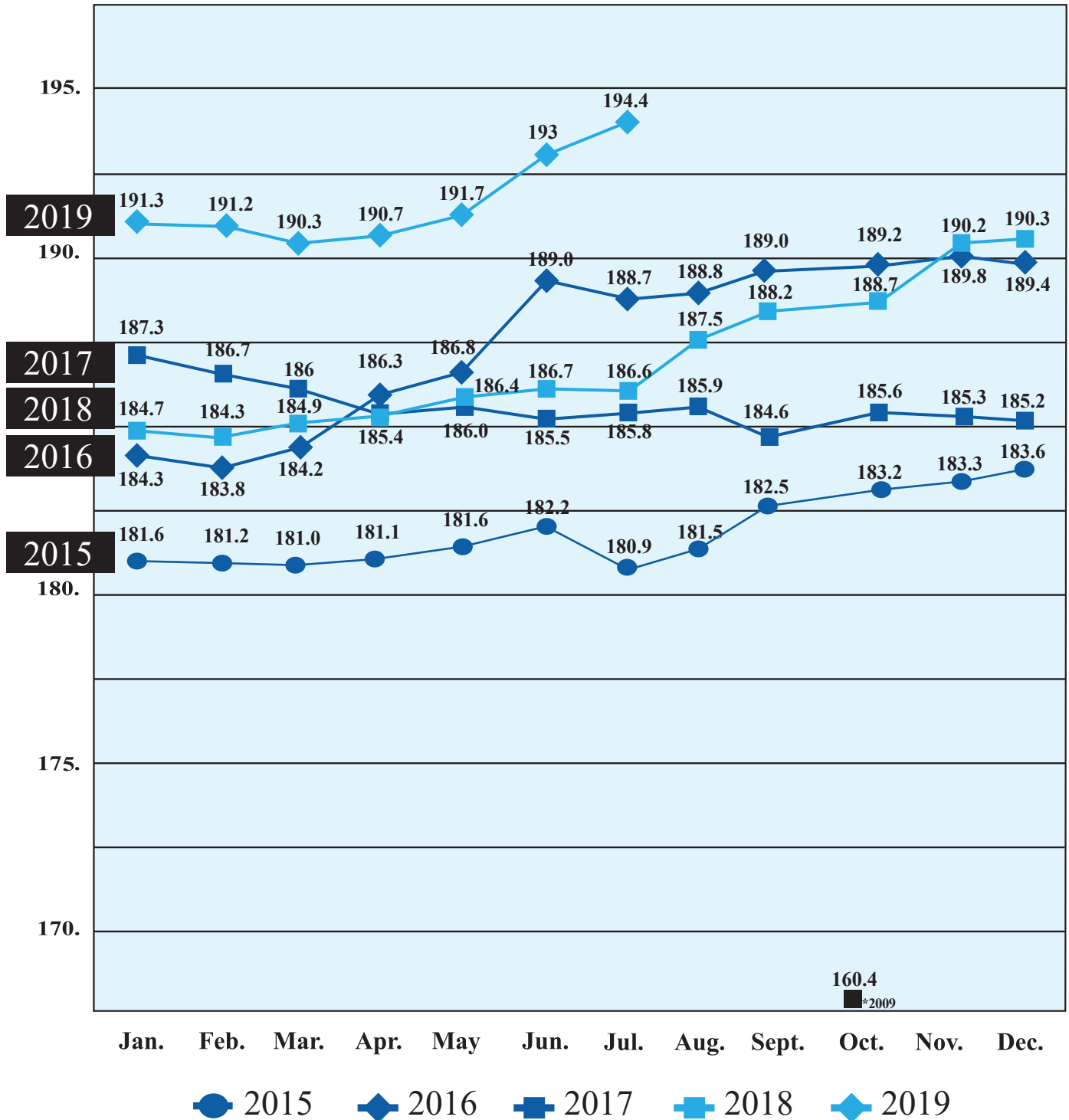
McAllen • Mission • Edinburg • Pharr

July 2019 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 July 2019	LAST YEAR July 2018	% CHANGE 2018-2019
Retail Sales (July)	\$ 536,792,622	\$ 499,565,534	7.5%
Retail Sales (YTD)	\$ 3,877,435,651	\$ 3,562,747,547	8.8%
Dollars Spent on Auto Purchases (July)	\$ 161,752,941	\$ 154,436,995	4.7%
Dollars Spent on Auto Purchases (YTD)	\$ 1,085,060,303	\$ 1,017,487,513	6.6%
Lodging Tax Receipts (July)	\$ 424,271	\$ 343,928	23.4%
Lodging Tax Receipts (YTD)	\$ 2,529,763	\$ 2,252,356	12.3%
Airline Boardings (July)	47,112	34,954	34.8%
Airline Boardings (YTD)	255,568	211,009	21.1%
Value All Construction Permits (July)	\$ 67,801,048	\$ 42,893,222	58.1%
Value All Construction Permits (YTD)	\$ 315,552,530	\$ 359,692,492	-12.3%
New Home Permits (July)	144	114	26.3%
New Home Permits (YTD)	840	800	5.0%
Home Sales (July)	288	225	28.0%
Home Sales (YTD)	1,960	1,714	14.4%
Average Home Sale Price (July)	\$ 179,743	\$ 173,642	3.5%
Average Home Sale Price (YTD)	\$ 167,028	\$ 161,748	3.3%
Dollar Volume of Home Sales (July in 1995\$)	\$ 51,766,033	\$ 40,237,559	28.7%
Dollar Volume of Home Sales (YTD)	\$ 330,683,513	\$ 287,252,455	15.1%
Hidalgo Bridge Crossings (July)	409,638	448,277	-8.6%
Hidalgo Bridge Crossings (YTD)	2,959,648	3,038,519	-2.6%
Peso Exchange Rate (July)	19.05	19.05	0.0%
Employment			
Wage & Salary Employment (July)	264,900	258,400	2.5%
Wage & Salary Employment (YTD)	269,470	263,170	2.4%
Unemployment Rate (McAllen City - July)	4.6	5.0	-8.0%
Unemployment Rate (YTD)	4.2	4.9	-12.6%
INDEX - January (Base=100 January 1996)	194.4	186.9	4.0%

* 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 increased sharply again in July rising to 194.4 for the month up from 193.0 in June, and up 4.0% from the July 2018 MEI of 186.9. July is the third straight month in which the index improved by a full point or more, and the index year-over-year growth rate reached 4.0% for the first time since December 2014.

The numbers are impressive; up and down the table of economic indicators, only the year-to-date building permit valuation total is down compared to year-ago levels. Otherwise, the spending indicators are strong, travel and tourism numbers are up by double-digit percentage points along with July monthly building permits, new housing construction, and existing home sales. The overall employment situation continues to improve with payroll employment growth and unemployment rate decline.

General spending remains impressive through July with inflation-adjusted taxable spending up by 7.5% for the month, and 8.8% for the year-to-date compared to year-ago levels. The numbers are based on sales tax receipts in the four cities of McAllen, Mission, Edinburg, and Pharr. Auto spending in July was up by 4.7% compared to July 2018, which in turn was up by 24% compared to July of the previous year.

The pace of employment growth has steadily been in the 2.0-2.5% range all year long and that is true through July as well with a 2.5% increase in July compared to July 2018, reflecting the addition of 6,500 jobs over the last 12 months. The McAllen city unemployment rate continues to fall at 4.6% in July, down from 5.0% in July 2018.

The July monthly building permit total was the highest of the year 2019 thus far, registering a 58% year-over-year increase, though the total for the year-to-date remains down compared to year-ago levels. The July monthly new housing permit total was the highest since July 2015 and was up by 26% compared to July of a year ago.

Existing home sales continue soar with a 28% increase in housing sales in July. The preliminary 288 closed sales set a record for the month of July by far, as is the total for the year-to-date, which is now up by over 14% compared to year-ago levels. The average price of those sales increased by a healthy 3.5% in July and is up by 3.3% on average through the first seven months of the year.

The inflation-adjusted total dollar volume of residential real estate sales was up by nearly 30% in July compared to July 2018, pushing the year-to-date total to over 15% improved over the first seven months of a year ago, and both are at record levels by far.

Hotel/motel activity and passenger boardings at McAllen International Airport are both sharply higher compared to year-ago levels, suggesting that the contribution by visitors to the metro area is helping to push growth in spending and other areas of the economy upward.