

# McAllen Area ECONOMIC PULSE

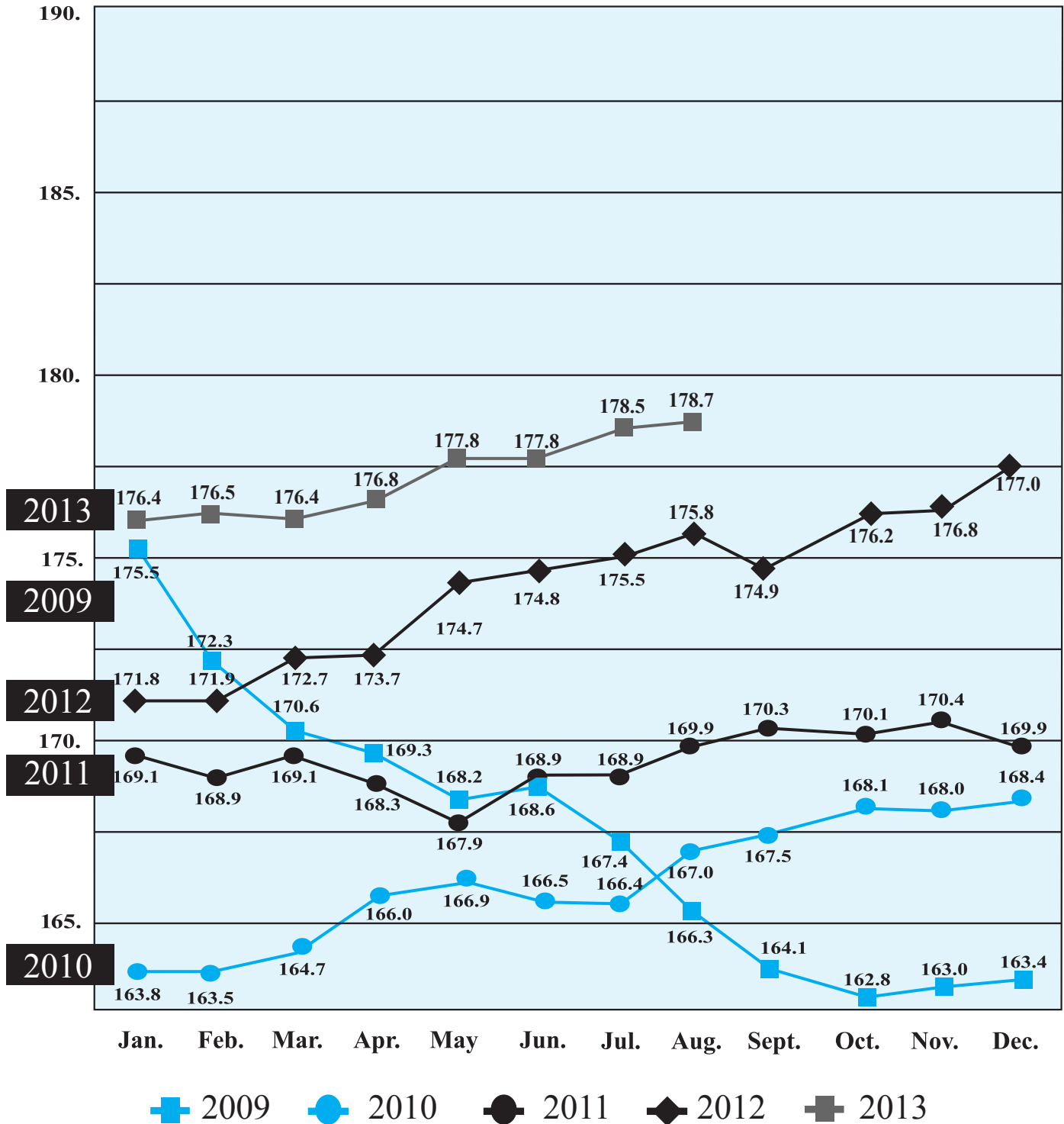
McAllen • Mission • Edinburg • Pharr

## August 2013 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 August 2013	LAST YEAR August 2012	% CHANGE 2012 - 2013
Retail Sales (\$000's - August in 1995\$) *	\$293,495	\$295,962	-0.8%
Retail Sales (\$000's - Year-To-Date) *	\$2,382,112	\$2,409,367	-1.1%
Dollars Spent on Auto Purchases (\$000's - August in 1995\$)	\$126,222	\$121,261	4.1%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$946,748	\$894,657	5.8%
Lodging Tax Receipts (August)	\$384,478	\$291,355	32.0%
Lodging Tax Receipts (YTD)	\$2,564,052	\$2,407,617	6.5%
Airline Boardings (August)	30,040	27,209	10.4%
Airline Boardings (YTD)	241,984	232,414	4.1%
Value All Construction Permits August	\$45,774,799	\$56,043,135	-18.3%
Value All Construction Permits (YTD)	\$375,010,268	\$330,345,515	13.5%
New Home Permits (August)	104	86	20.9%
New Home Permits (YTD)	754	776	-2.8%
Home Sales (August)	156	215	-27.4%
Home Sales (YTD)	1,509	1,492	1.1%
Average Home Sale Price (August)	\$125,539	\$121,283	3.5%
Average Home Sale Price (YTD Avg)	\$130,049	\$123,873	5.0%
Hidalgo Bridge Crossings (August)	457,463	455,511	0.4%
Hidalgo Bridge Crossings (YTD)	3,548,522	3,561,675	-0.4%
Peso Exchange Rate (August)	\$13.45	\$12.50	7.6%
<b>Employment</b>			
Wage & Salary Employment (August)	227,700	224,900	1.2%
Wage & Salary Employment (YTD Avg)	231,240	227,300	1.7%
Unemployment Rate (August)	10.8	11.5	-6.1%
Unemployment Rate (YTD Average)	11.0	11.4	-2.9%
<b>INDEX - August (Base=100 Jan 1996)</b>	<b>178.7</b>	<b>175.6</b>	<b>1.8%</b>

\* Adjusted for inflation by restating in year 1995 dollars

In January 2004 the Texas Comptroller's Office began tracking "Manifestos" -- requests for sales tax refunds on items purchased by Mexican citizens or for export into Mexico.

	Export Sales per Manifestos	Total Retail Sales	Export Sales of Total Sales
<b>August 2013</b>	\$29,443	\$421,738	7.0%
<b>YTD 2013</b>	\$237,895	\$3,402,864	7.0%

- The McAllen Economic Index increased slightly from July to August rising to 178.7 up from 178.5, and up 1.8% from the August 2012 MEI of 175.6.

- The metro area continues to enjoy modest but steady employment growth while general spending activity has flattened. Auto sales remain strong, as do the travel and tourism indicators.

- General real (inflation-adjusted) spending per sales tax receipts in the four-city metro area posted its fifth straight year-over-year decline, down less than a percent compared to the August 2012 total; the year-to-date total has dipped into slightly negative year-over-year territory down 1.1% compared to the first eight months of 2012.

- Employment growth remains steady but moderate with estimated year-over-year employment growth of 1.2% in August; for the year-to-date, employment growth is averaging about 1.7%.

- Auto sales continue to expand impressively with inflation-adjusted spending on new and used automobiles per Hidalgo County motor vehicle sales tax receipts up by 4.1% compared to the August 2012 total, which in turn was up by over 27% compared to August of the prior year. The year-to-date auto sales total remains well into record territory up by up by 5.8% compared to the January-August 2012 total.

- Hotel/motel tax receipts in McAllen were up sharply in August, up by 32% compared to August of a year ago; passenger enplanements at McAllen International Airport were stronger as well, up by over 10% for the month of August compared to August of a year ago.

- Construction activity per building permit valuations in McAllen, Edinburg, Mission, and Pharr was down by about 18% compared to August of a year ago; however, the August 2012 total was up sharply, posting a 72% increase over August of the prior year, so the current total is being compared to that high level. And building permit activity remains stronger for the year-to-date, up by over 13% compared to the YTD through August 2012 total.

- Housing construction remains mixed for the year -- the August total was stronger, up by over 20% compared to August of a year ago, but is down slightly for the year-to-date. The year-over-year decline is slight, but that comes on top of declines in the prior two years as well.

- The number of existing homes sold was down sharply for the month, though the year-to-date total remains slightly in positive territory. Prices posted a healthy increase for the month, however, with the August average sale price up by 3.5% compared to August of a year ago. For the year-to-date, the average home sale price is up by a stout 5% compared to the first eight months of 2012.