

McAllen Area ECONOMIC PULSE

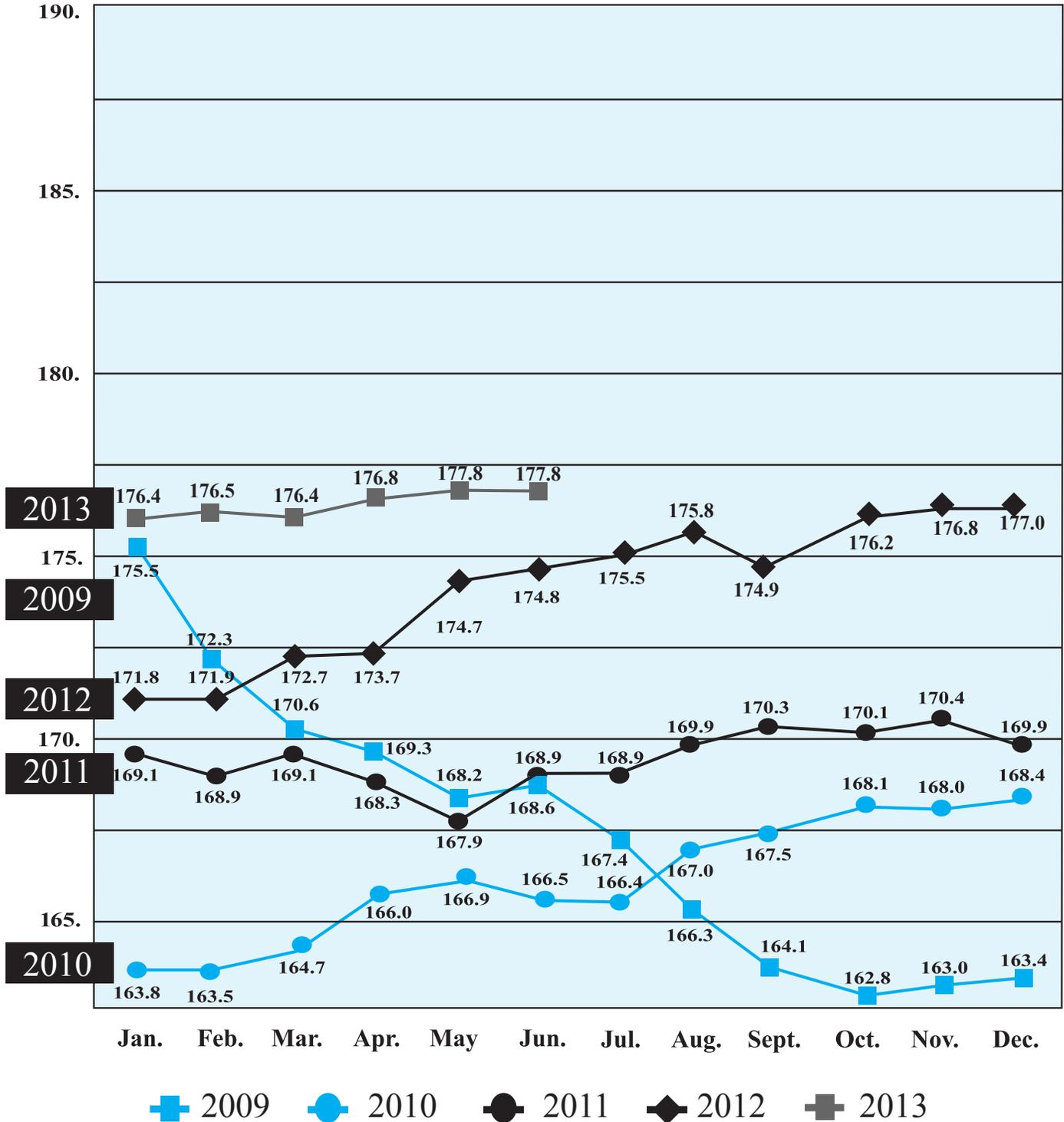
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June 2013 Economic Pulse

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 June 2013	LAST YEAR June 2012	% CHANGE 2012 - 2013
Retail Sales (\$000's - 2nd Quarter in 1995\$)	\$893,741	\$921,688	-3.0%
Retail Sales (\$000's - Year-To-Date)	\$1,797,533	\$1,801,660	-0.2%
Dollars Spent on Auto Purchases (\$000's - 2nd Qtr in 1995\$)	\$338,639	\$326,946	3.6%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$690,860	\$658,152	5.0%
Lodging Tax Receipts (2nd Quarter)	\$869,314	\$917,337	-5.2%
Lodging Tax Receipts (YTD)	\$1,869,238	\$1,799,760	3.9%
Airline Boardings (2nd Qtr)	94,590	90,455	4.6%
Airline Boardings (YTD)	174,863	172,209	1.5%
Value All Construction Permits (2nd Qtr)	\$176,820,748	\$126,652,996	39.6%
Value All Construction Permits (YTD)	\$281,800,907	\$246,952,512	14.1%
New Home Permits (2nd Qtr)	308	324	-4.9%
New Home Permits (YTD)	551	599	-8.0%
Home Sales (2nd Qtr)	622	605	2.8%
Home Sales (YTD)	1,147	1,081	6.1%
Average Home Sale Price (2nd Qtr)	\$135,213	\$122,419	10.5%
Average Home Sale Price (YTD)	\$128,203	\$123,031	4.2%
Hidalgo Bridge Crossings (2nd Qtr)	1,338,627	1,342,567	-0.3%
Hidalgo Bridge Crossings (YTD)	2,628,377	2,641,373	-0.5%
Peso Exchange Rate (June)	12.75	13.00	-1.9%
Employment			
Wage & Salary Employment (June)	231,800	228,400	1.5%
Wage & Salary Employment (YTD Avg)	232,750	228,615	1.8%
Unemployment Rate (June)	11.5	12.0	-4.2%
Unemployment Rate (YTD Average)	11.0	11.2	-1.6%
INDEX - June (Base=100 Jan 1996)	177.8	174.2	2.1%

* Adjusted for inflation by restating in year 1995 dollars

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

	Export Sales per Manifiestos	Total Retail Sales	Export Sales of Total Sales
June 2013	\$32,194	\$473,966	6.8%
YTD 2013	\$178,853	\$2,563,600	7.0%

- The McAllen Economic Index continues to reflect moderate growth and expansion in the general economy of the metro area; the index was unchanged from May to June at 177.8, and is up 2.1% from the June 2012 MEI of 174.2. Growth in the local economy slowed in the first half of 2013, however, with the index improving by only .5% since December.

- General spending growth weakened in the 2nd quarter and in the first half of the year, while employment growth continued at a modest pace; auto sales were higher, and construction and housing prices posted sharp year-over-year gains for the quarter and year-to-date.

- Taxable spending in the McAllen metro area (adjusted for inflation) was down by some 3.0% in the 2nd quarter compared to the 2nd quarter of a year ago; however, the 2nd quarter 2012 total was strong, up by about 8.4% compared to the prior year. General real spending is essentially flat thus far in 2013 compared to the first six months of a year ago.

- The local economy continues to add jobs at a modest but steady clip, with estimated payroll employment up by 1.5% in June compared to June 2012. For the first half of the year, job growth averaged about 1.8% higher compared to the same period last year.

- Auto sales remain on the rise in the metro area with inflation-adjusted spending on new and used automobiles up by 3.6% compared to the 2nd quarter of 2012, which in turn was up by over 10% compared to the prior year. Auto spending in the first half of 2013 is up by a solid 5% year-over-year.

- The 2nd quarter construction totals (the value of all building permits issued in the metro area) was the highest 2nd quarter total since 2006, and was up by nearly 40% compared to the 2nd quarter of 2012. For the year-to-date, building permit totals are up by about 14% compared to the first half of a year ago.

- Home building continues to weaken in 2013, however, with the number of new single-family residence construction permits down by some 5% for the quarter, and about 8% for the year-to-date.

- Existing home sales were up only slightly compared to the 2nd quarter of a year ago; however, the 2nd quarter 2012 total was over 28% higher compared to the prior year, so residential real estate market activity remains at a high level in 2013. Year-to-date home sales are up by about 6% compared to the first six months of 2012. Further, prices were up sharply in the 2nd quarter - about 10.5% year-over-year. The 2nd quarter 2012 average was abnormally low, however, down over 7% compared to the prior year, so in context home values as reflected by the sales price remain at a healthy level in 2013. The average home sale price for the first six months of the year is a solid 4.2% improved over the first six months of a year ago.