

McAllen Area ECONOMIC PULSE

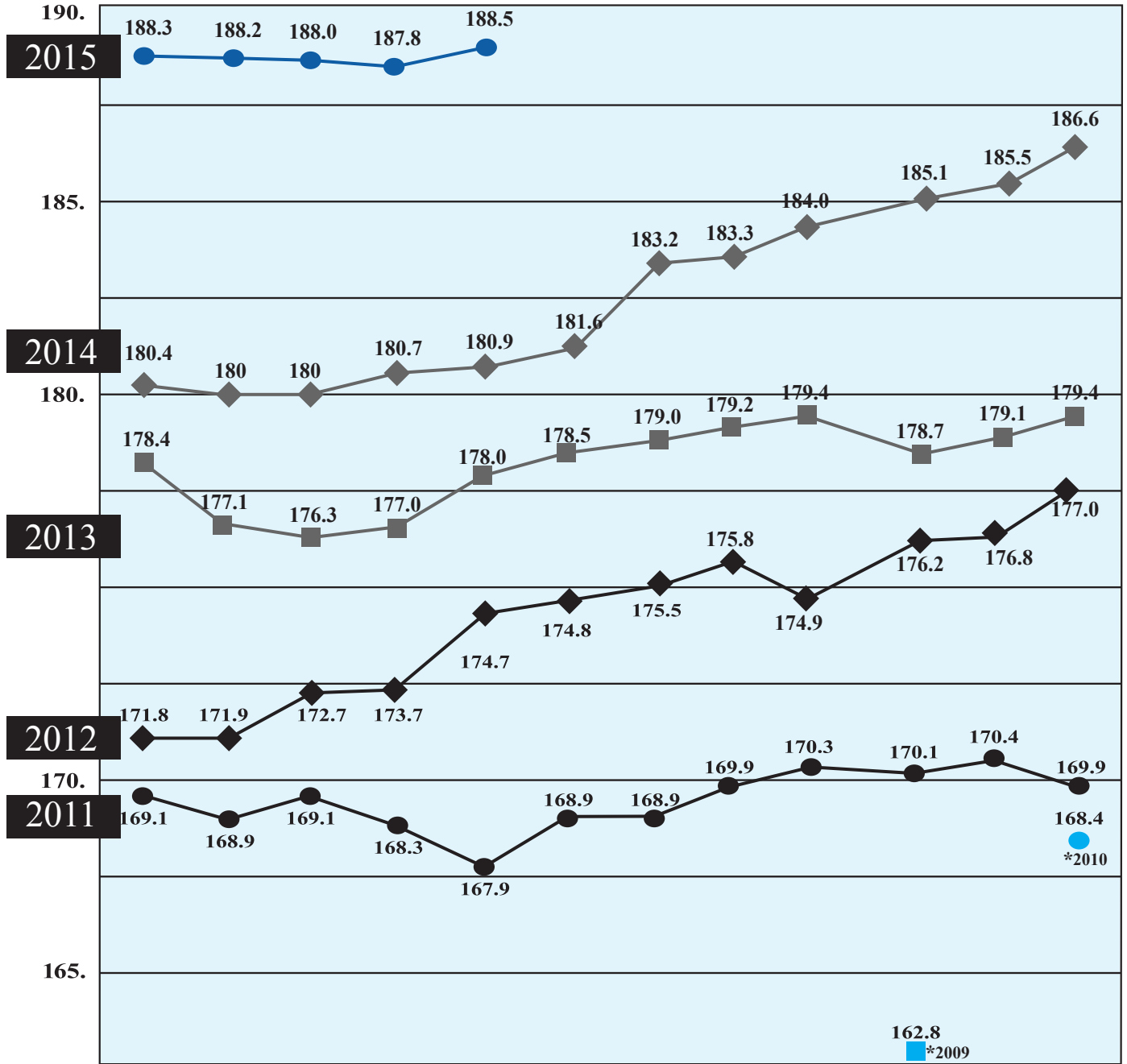
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May 2015 Economic Pulse

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

ECONOMIC INDICATORS	THIS YEAR May 2015	LAST YEAR May 2014	% CHANGE 2014 - 2015
Retail Sales (\$000's - Per May sales tax rebate) *	\$366,325	\$358,626	2.1%
Retail Sales (\$000's - Year-to-Date)*	\$1,683,838	\$1,664,205	1.2%
Dollars Spent on Auto Purchases (\$000's - May) *	\$96,014	\$86,960	11.4%
Dollars Spent on Auto Purchases (\$000's - YTD) *	\$644,920	\$615,503	4.8%
Lodging Tax Receipts (May)	\$341,242	\$287,057	18.9%
Lodging Tax Receipts (YTD)	\$1,819,574	\$1,738,405	4.7%
Airline Boardings (May)	34,208	34,371	-0.5%
Airline Boardings (YTD)	156,711	152,497	2.8%
Value All Construction Permits (May)	\$36,893,328	\$33,012,404	11.8%
Value All Construction Permits (YTD)	\$181,991,718	\$181,993,517	-0.0%
New Home Permits (May)	117	132	-11.4%
New Home Permits (YTD)	514	541	-5.0%
Home Sales (May)	240	209	14.8%
Home Sales (YTD)	993	951	4.4%
Average Home Sale Price (May)	\$136,928	\$132,107	3.6%
Average Home Sale Price (YTD Avg)	\$130,494	\$130,032	0.4%
Dollar Volume Residential Real Estate Sales (May) *	\$20,515,553	\$17,673,781	16.1%
Home Sales Dollar Volume of Activity (YTD)	\$81,129,436	\$79,468,702	2.1%
Hidalgo Bridge Crossings (May)	472,188	436,617	8.1%
Hidalgo Bridge Crossings (YTD)	2,197,136	2,173,092	1.1%
Peso/Dollar Exchange Rate (May)	14.35	12.60	13.9%
Employment			
Wage & Salary Employment (May)	250,300	243,900	2.6%
Wage & Salary Employment (YTD Avg)	247,560	241,100	2.7%
Unemployment Rate (May)	7.2	8.3	-13.3%
Unemployment Rate (YTD Average)	7.6	9.2	-17.0%
INDEX - May (Base=100 Jan 1996)	188.5	182.4	3.3%

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

- The McAllen Economic Index improved to its highest post-recession level in May rising to 188.5 up from 187.8 in April, and up 3.3% from the May 2014 MEI of 182.4. The index is now just 1.4% (2.5 points) off its all-time high of 191.0 achieved in January 2008. Stout year-over-year increases in auto spending, hotel/motel activity, construction and housing sales drove the index upward in May, along with modest improvement in general spending and steady employment growth.

- Inflation-adjusted taxable spending per May sales tax receipts in the metro area was up by some 2.1% compared to May of a year ago, and the total for the year-to-date is up a slight 1.2% compared to the first five months of 2014. General real spending remains at record levels, but year-over-year growth rates thus far in 2015 certainly leave something to be desired.

- Auto sales activity continues to improve with inflation-adjusted spending on new and used motor vehicles up by over 11% compared to May of a year ago, which in turn was up by over 20% compared to May of the prior year. Auto sales activity is also in record territory and is up by nearly 5% compared to the first five months of 2014.

- Airport passenger enplanements were flat compared to year-ago levels, but McAllen city hotel/motel activity was up sharply, posting an 19% increase in May compared to the total for May of last year.

- Construction activity per building permits issued across the metro area was up by about 12% in terms of the valuation of those projects; still, the total is somewhat low compared to the May totals post-recession, with the exception of last year, in which May building permit valuations were down by about 65% compared to the prior year. That pulled the year-to-date total level compared to the first five months of 2014, but again, that total was down by over 20% compared to the prior year. New housing construction was off for the month as well, with the number of new permits down by 12% in May, and 5% for the YTD through May.

- Existing home sales continue to improve, however, with the number of closed sales up by 15% in May (year-over-year), and about 4% for the year-to-date. The average price of those sales was up by a healthy 3.6% in May, and the average for the year-to-date is flat compared to year-ago levels. The total dollar volume of residential real estate sales activity (adjusted for inflation) is up a sharp 16% in May based on higher sales at higher prices.