

# McAllen Area ECONOMIC PULSE

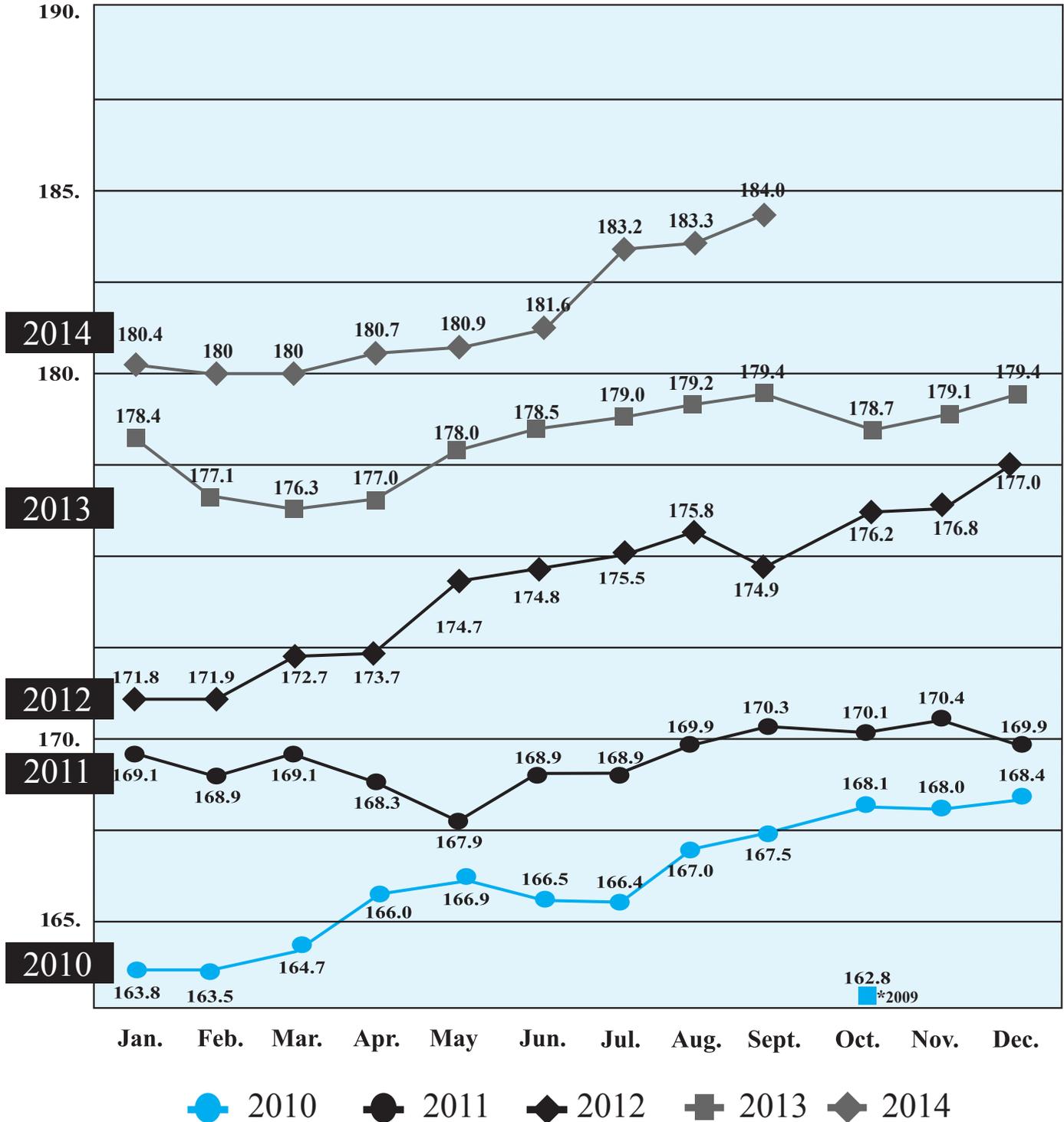
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## September 2014 Economic Pulse

### 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 September 2014	LAST YEAR September 2013	% CHANGE 2013 - 2014
Retail Sales (\$000's - September in 1995\$)*	\$292,125	\$291,084	0.4%
Retail Sales (3rd Quarter)	\$916,894	\$904,098	1.4%
Retail Sales (\$000's - Year-to-Date)*	\$2,893,616	\$2,813,118	2.9%
Dollars Spent on Auto Purchases (\$000's - Sept. in 1995\$)*	\$132,205	\$114,172	15.8%
Dollars Spent on Auto Purchases (3rd Quarter)	\$394,966	\$370,337	6.7%
Dollars Spent on Auto Purchases (\$000's - YTD)*	\$1,137,420	\$1,061,250	7.2%
Lodging Tax Receipts (September)	\$322,522	\$280,837	14.8%
Lodging Tax Receipts (3rd Quarter)	\$1,078,454	\$975,650	10.5%
Lodging Tax Receipts (YTD)	\$3,126,478	\$2,844,889	9.9%
Airline Boardings (September)	\$29,095	\$25,982	12.0%
Airline Boardings (3rd Quarter)	103,708	93,653	10.7%
Airline Boardings (YTD)	295,655	268,337	10.2%
Value All Construction Permits (September)	\$30,939,824	\$19,195,357	61.2%
Value All Construction Permits (3rd Quarter)	\$195,609,099	\$112,404,718	74.0%
Value All Construction Permits (YTD)	\$416,234,805	\$394,205,625	5.6%
New Home Permits (September)	98	94	4.3%
New Home Permits (3rd Quarter)	294	297	-1.0%
New Home Permits (YTD)	949	848	11.9%
Home Sales (September)	203	185	9.7%
Home Sales (3rd Quarter)	639	547	16.8%
Home Sales (YTD)	1,811	1,694	6.9%
Average Home Sale Price (September)	144,962	145,130	-0.1%
Average Home Sale Price (3rd Quarter)	\$141,748	\$139,019	2.0%
Average Home Sale Price (YTD)	\$135,508	\$131,696	2.9%
Hidalgo Bridge Crossings (September)	415,931	411,862	1.0%
Hidalgo Bridge Crossings (3rd Quarter)	1,317,831	1,332,007	-1.1%
Hidalgo Bridge Crossings (YTD)	3,920,128	3,960,384	-1.0%
Peso Exchange Rate (September)	\$13.65	\$13.25	3.0%
<b>Employment</b>			
Wage & Salary Employment (September)	238,400	233,000	2.3%
Wage & Salary Employment (YTD Avg)	236,890	232,680	1.8%
Unemployment Rate (September)	8.5	10.5	-19.0%
Unemployment Rate (YTD Average)	9.5	10.9	-13.4%
INDEX - September (Base=100 Jan 1996)	184.0	179.4	2.6%

\*Adjusted for Inflation by Re-Statting in Year 1995 Dollars

- The McAllen metro area economy continued to exhibit solid growth through September with the McAllen Economic Index rising to 184.0 for the month up from 183.3 in August, and up 2.6% from the September 2013 MEI of 179.4. Third quarter expansion in the McAllen economy was impressive with a stout 5.4% annualized rate of growth in the McAllen Economic Index over the quarter. The index is now down by 3.5% compared to its all-time peak of 190.6 achieved in January 2008 and that gap continues to narrow on a modest but steady basis.

- Sharp year-over-year increases in construction activity helped to fuel growth in the McAllen Economic Index along with strong auto sales, increases in the travel and tourism indicators and impressive improvement in the local residential real estate market. Growth in general spending activity remains sluggish, but the metro area continues to exhibit steady employment growth along with sharp declines in the unemployment rate.

- General real spending per metro area sales tax receipts was up only slightly for the quarter, posting a 1.4% year-over-year increase, and is up by a respectable 2.9% for the year-to-date. About 5,400 jobs were added to the McAllen economy over the last 12 months for a growth rate of 2.3% in September compared to September of a year ago. The unemployment rate for September is down 2 full points at 8.5% compared to 10.5% in September 2013.

- The \$195.6 million in building permits issued in the third quarter, up 74% compared to the third quarter 2013, is the second-highest third quarter total on record, behind only the \$234 million issued in the third quarter of the record construction year of 2006. For the year-to-date building permit activity is up 5.6% compared to the first nine months of a year ago. New housing construction was flat for the quarter, but remains solidly improved for the year-to-date.

- Auto sales in the metro area remain very strong with inflation-adjusted spending on new and used automobiles up by 6.7% in the third quarter (and up nearly 16% in September), and are more than 7% improved for the year-to-date compared to the January-September 2013 period.

- Housing activity continues to improve with home sales up by nearly 17% compared to the third quarter of a year ago, and up some 7% for the year-to-date. The third quarter 2014 average sale price was up by 2% compared to the third quarter 2013 average, which in turn was up by nearly 8% compared to the prior year. The average price for the year-to-date through September is up by nearly 3% compared to the prior year, which in turn was up by 5.3% compared to the first nine months of 2012.