

McAllen Area ECONOMIC PULSE

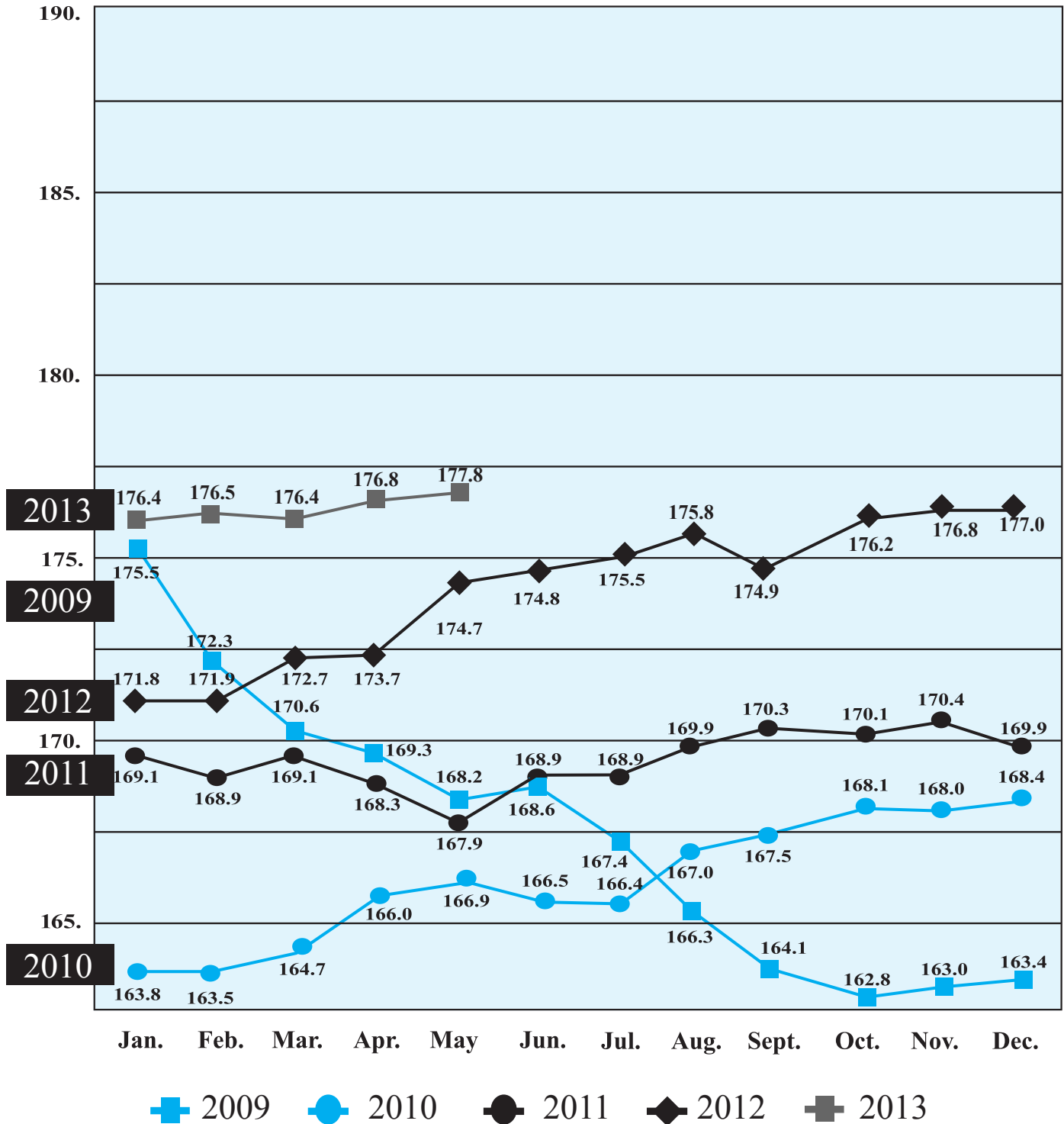
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May 2013 Economic Pulse

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.



The McAllen Area Economy

ECONOMIC INDICATORS	THIS YEAR May 2013	LAST YEAR May 2012	% CHANGE 2012 - 2013
Retail Sales (\$000's - May in 1995\$)	\$282,031	\$290,994	-3.1%
Retail Sales (\$000's - Year-To-Date)	\$1,466,550	\$1,461,738	0.3%
Dollars Spent on Auto Purchases (\$000's - May in 1995\$)	\$70,614	\$87,220	-19.0%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$570,417	\$537,220	6.2%
Lodging Tax Receipts (May)	\$279,753	\$283,010	-1.2%
Lodging Tax Receipts (YTD)	\$1,584,092	\$1,536,417	3.1%
Airline Boardings (May)	31,695	29,111	8.9%
Airline Boardings (YTD)	139,906	140,139	-0.2%
Value All Construction Permits (May)	\$94,689,516	\$51,046,749	85.5%
Value All Construction Permits (YTD)	\$228,740,395	\$207,114,562	10.4%
New Home Permits (May)	100	113	-11.5%
New Home Permits (YTD)	455	495	-8.1%
Home Sales (May)	221	216	2.3%
Home Sales (YTD)	952	860	10.7%
Average Home Sale Price (May)	\$136,494	\$119,472	14.2%
Average Home Sale Price (YTD)	\$125,341	\$123,124	1.8%
Hidalgo Bridge Crossings (May)	460,483	452,669	1.7%
Hidalgo Bridge Crossings (YTD)	2,185,912	2,206,184	-0.9%
Peso/Dollar Exchange Rate (May)	12.85	14.25	-9.8%
Employment			
Wage & Salary Employment (May)	233,400	229,500	1.7%
Wage & Salary Employment (YTD Avg)	232,940	228,660	1.9%
Unemployment Rate (May)	10.9	10.8	0.9%
Unemployment Rate (YTD Avg)	10.9	11.0	-0.9%
INDEX - May (Base=100 Jan 1996)	177.8	173.9	2.2%

* 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
May 2013	\$30,506	\$403,221	7.6%
YTD 2013	\$146,659	\$2,089,634	7.0%

- The McAllen Economic Index posted a solid month-to-month increase in May, rising by a full point to 177.8 from 176.8 in April, and up 2.2% from the May 2012 MEI of 173.9. The spending indicators were lower for the month, while employment continues to improve at a very modest pace.

- Inflation-adjusted general spending in the metro area per sales tax receipts was down by 3.1% compared to May of a year ago; however, the May 2012 total was extraordinarily high, up by over 13% compared to May of the prior year, so the May 2013 spending total is more respectable in that context. General real spending is flat for the year-to-date, though, up only about .3% compared to the January-May 2012 total.

- Auto sales were down sharply in May with inflation-adjusted spending on new and used automobiles down by 19% compared to May of a year ago (which was also down by some 12% compared to May of the prior year). For the year-to-date, however, real auto spending remains a solid 6.2% improved over the first five months of 2012.

- Employment growth continues at a moderate but very steady pace, with estimated payroll employment in the metro area up by 1.7% (about 3,900 jobs added over the last 12 months).

- Building permits were up sharply for the month, eclipsing the May 2012 permit valuation total by over 85%. In fact, the May 2013 monthly total of nearly \$95 million was the highest monthly total in over five years. That pulled the year-to-date total into positive territory with building permit valuations through may up by some 10% compared to the first five months of 2012.

- Home building continues to trend a bit lower in 2013 with the number of new single-family residence construction permits down by about 11% compared to May of a year ago. For the year-to-date the number of new housing construction permits is down by about 8% compared to the first five months of 2012.

- Housing prices, which were down by about 15% (year-over-year) in May of last year recovered most of that in May 2013 with the average price up by over 14%. For the year-to-date, the average home sale price in the metro area is up by a moderate 1.8% compared to the January-May 2012 period. The number of closed sales was up only slightly compared to May of a year ago; however, the May 2012 sales total was up by a whopping 66% compared to May of the prior year. Thus far in 2013, existing home sales are a solid 10.7% improved compared to the YTD through May 2012 total.

Key Points