

McAllen Area ECONOMIC PULSE

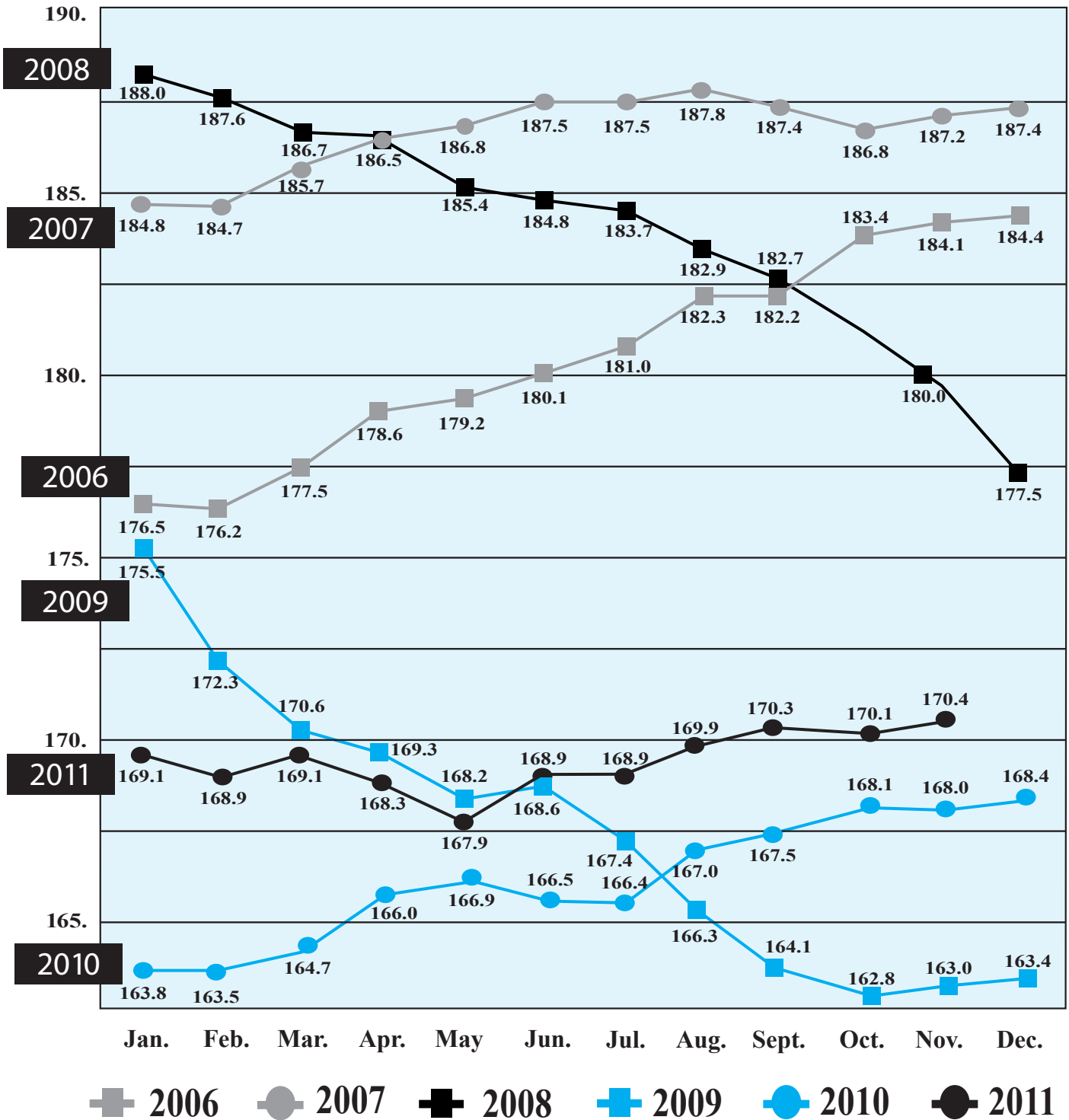
McAllen • Mission • Edinburg • Pharr

November 2011 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 Metro Area Economy

ECONOMIC INDICATORS	THIS YEAR November 2011	LAST YEAR November 2010	% CHANGE 2010 - 2011
Retail Sales (\$000's - in 1995\$)	\$269,592	\$261,058	3.3%
Retail Sales (\$000's - Year-To-Date)	\$2,938,162	\$2,843,772	3.3%
Dollars Spent on Auto Purchases (\$000's - Nov. in 1995\$)	\$85,084	\$76,105	11.8%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$1,034,685	\$892,471	15.9%
Lodging Tax Receipts (November)	\$256,431	\$226,886	13.0%
Lodging Tax Receipts (YTD)	\$2,856,033	\$2,974,878	-4.0%
Airline Boardings (November)	27,345	\$28,283	-3.3%
Airline Boardings (YTD)	312,842	\$323,631	-3.3%
Value All Construction Permits (November)	\$30,729,508	\$21,803,193	40.9%
Value All Construction Permits (YTD)	\$435,448,544	\$340,131,173	28.0%
New Home Permits (November)	75	98	-23.5%
New Home Permits (YTD)	1,189	1,425	-16.6%
Home Sales (October)	161	161	0.0%
Home Sales (YTD)	1,795	2,087	-14.0%
Average Home Sale Price (November)	\$138,124	\$130,876	5.5%
Average Home Sale Price (YTD Avg)	\$126,553	\$122,296	3.5%
Hidalgo Bridge Crossings (November)	433,305	464,254	-6.7%
Hidalgo Bridge Crossings (YTD)	4,839,265	5,175,249	-6.5%
Peso Exchange Rate (November)	12.90	12.50	3.2%
Employment			
Wage & Salary Employment (November)	230,900	223,500	3.3%
Wage & Salary Employment (YTD Avg)	223,527	219,018	2.1%
Unemployment Rate (November)	11.1	12.0	-7.5%
Unemployment Rate (YTD Average)	12.2	11.7	4.3%
INDEX - November (Base=100 Jan 1996)	170.4	168.0	1.4%

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
November 2011	\$22,728	\$390,965	5.8%
YTD	\$218,533	\$4,238,867	5.2%

The McAllen Economic Index rose to its highest level of 2011, increasing to 170.4 up from 170.1 in October, and up 1.4% compared to the November 2010 MEI of 168.0. General real spending and employment continue to improve, auto sales are up significantly compared to year-ago levels, and building permits were up sharply in November.

Inflation-adjusted taxable spending in the metro area was up by 3.3% in November (year-over-year) and for the year-to-date as well. Post-recession spending has yet to top pre-recession levels, however, down thus far in 2011 compared to each year 2006-2008.

The McAllen metro area continues to enjoy solid job growth, up 3.3% in November compared to November 2010, adding an estimated 7,400 jobs over that period; and again, total payroll employment in McAllen has moved into record territory having fully recovered and moved well beyond pre-downturn employment levels.

Auto sales across the county continue to improve with inflation-adjusted spending on new and used automobiles up nearly 12% in November compared to November 2010, and up about 16% for the year-to-date. At this point, both November and YTD real auto spending remains behind only the peak spending year of 2008 in terms of post-recession recovery.

November monthly building permits valuations were up by over 40% compared to November '10, and the year-to-date total is up by a solid 28% relative to the first eleven months of 2010. Both the November and YTD totals remain down compared to the strong building years of much of the previous decade, but have made a significant recovery in 2011.

Housing construction and existing home sales continue to wane through November 2011; existing home sales were unchanged from November of a year ago (which in turn were down 18% compared to the prior November), and the year-to-date total is down by some 14%. New single-family residence permits were down 23% for the month, the lowest monthly November total since at least 1995 when data collection for the McAllen Economic Pulse began.

Housing prices continue to reflect support for residential real estate values, however, up over 5% for November (year-over-year), the highest November monthly average on record. The year-to-date total is up by less than a percent compared to January-November 2010; however, that YTD average was up by over 5% compared to the prior year.

Key Points