

McAllen Area ECONOMIC PULSE

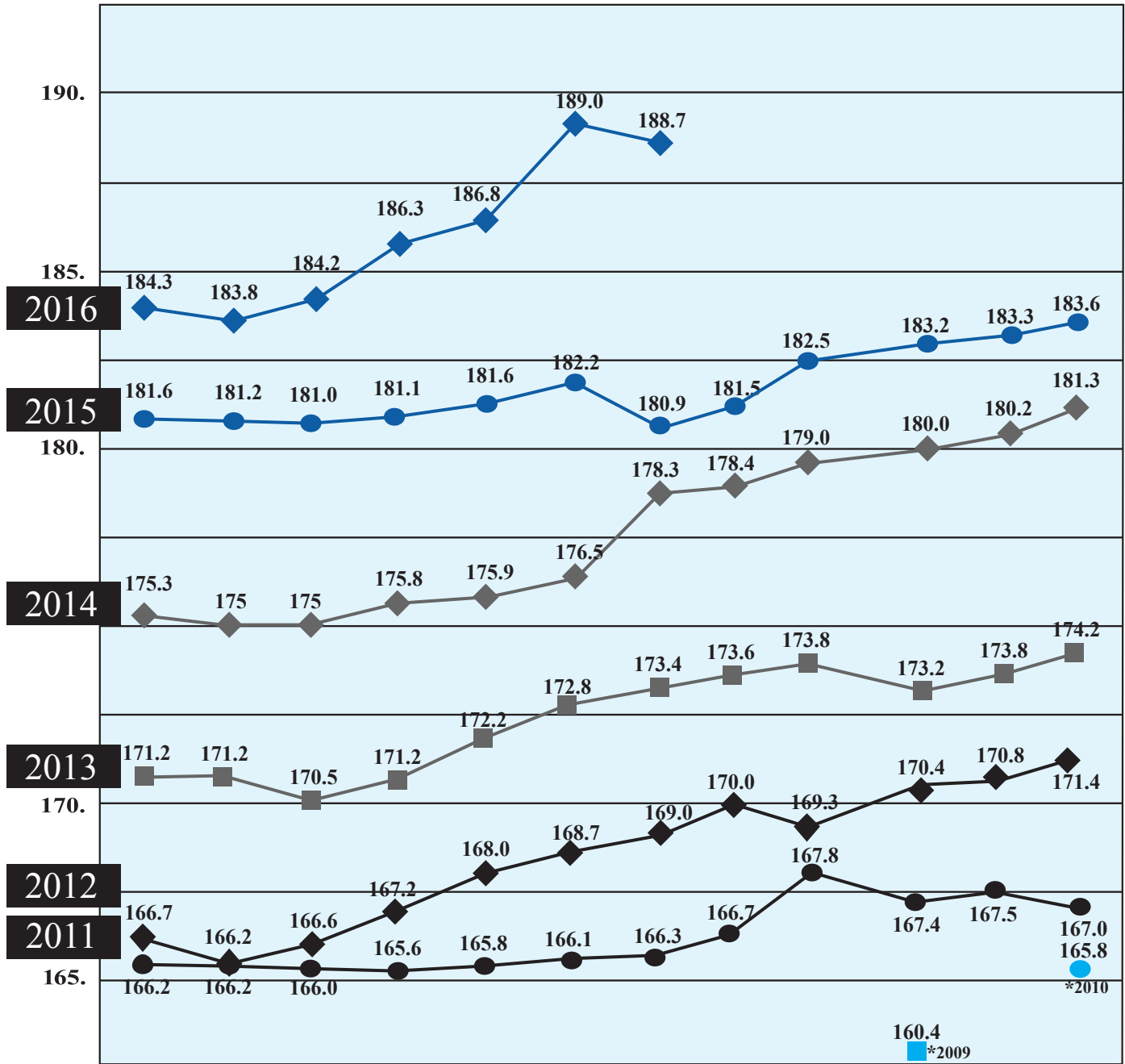
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July 2016 Economic Pulse

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.



Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sept. Oct. Nov. Dec.

● 2011 ◆ 2012 ■ 2013 ◆ 2014 ● 2015 ◆ 2016

The McAllen Area Economy

| ECONOMIC INDICATORS* | THIS YEAR July 2016 | LAST YEAR July 2015 | % CHANGE 2015 - 2016 |
|--|------------------------|------------------------|-------------------------|
| Retail Sales (\$000's - Per July sales tax rebate) | \$437,777,790 | \$443,994,868 | -1.4% |
| Retail Sales (\$000's - Year-To-Date) | \$3,364,005,422 | \$3,468,446,984 | -3.0% |
| Dollars Spent on Auto Purchases (\$000's - July) | \$135,793,108 | \$138,608,523 | -2.0% |
| Dollars Spent on Auto Purchases (\$000's - YTD) | \$1,007,956,945 | \$940,769,127 | 7.1% |
| Lodging Tax Receipts (July) | \$383,988 | \$372,791 | 3.0% |
| Lodging Tax Receipts (YTD) | \$2,371,566 | \$2,591,745 | -8.5% |
| Airline Boardings (July) | 36,230 | 43,348 | -16.4% |
| Airline Boardings (YTD) | 216,182 | 240,343 | -10.1% |
| Value All Construction Permits (July) | \$47,233,279 | \$34,596,588 | 36.5% |
| Value All Construction Permits (YTD) | \$503,462,041 | \$248,494,929 | 102.6% |
| New Home Permits (July) | 109 | 144 | -24.3% |
| New Home Permits (YTD) | 846 | 773 | 9.4% |
| Home Sales (July) | 233 | 263 | -11.4% |
| Home Sales (YTD) | 1,438 | 1,516 | -5.1% |
| Average Home Sale Price (July) | \$142,888 | \$141,984 | 0.6% |
| Average Home Sale Price (YTD) | \$141,143 | \$134,867 | 4.7% |
| Dollar Volume Residential Real Estate Sales (July) | \$33,292,978 | \$38,033,932 | -12.5% |
| Dollar Volume Residential Real Estate Sales (YTD) | \$203,787,270 | \$209,156,827 | -2.6% |
| Hidalgo Bridge Crossings (July) | 485,847 | 467,691 | 3.9% |
| Hidalgo Bridge Crossings (YTD) | 3,249,060 | 3,111,766 | 4.4% |
| Peso Exchange Rate (July) | 18.59 | 15.92 | 16.8% |
| Employment | | | |
| Wage & Salary Employment (July) | 249,100 | 243,400 | 2.3% |
| Wage & Salary Employment (YTD Avg) | 253,857 | 247,455 | 2.6% |
| Unemployment Rate (McAllen City - July) | 5.5 | 5.5 | 0.0% |
| Unemployment Rate (YTD Average) | 4.7 | 5.0 | -5.4% |
| INDEX - July (Base=100 January 1996) | 188.7 | 180.9 | 4.3% |

* With the exception of the average monthly home sale price, all economic indicators expressed in dollar form above are adjusted for inflation by restating prior periods in current dollars

Key Points

- After increasing for four straight months (and 10 of the last twelve) and establishing a new record last month the McAllen Economic Index retreated a bit in July falling to 188.7 for the month, down from 189.0 in June but still up 4.3% from the July 2015 MEI of 180.9.
- General spending remains in negative year-over-year territory and auto spending was lower for the month as well. Building permit activity was sharply higher yet again, while new housing construction was down compared to a high number in July of a year ago. Home sales were down for the month and year-to-date as well. The metro area continues to add jobs, but the unemployment rate was unchanged compared to July of a year ago.
- Real (inflation-adjusted) taxable spending remains sluggish, posting a decline of 1.4% per July sales tax receipts compared to July of a year ago. For the year-to-date, general real spending is down by 3.0% compared to the first seven months of 2015. Auto spending was down slightly for the month, but remains over 7% improved compared to the January-July 2015 total.
- The construction sector continues to put up some big year-over-year increases in 2016 with real permit valuations in July up by over 35% compared to July of a year ago. For the year-to-date permit activity remains more than double the level from the first seven months of 2015. The number of new single-family construction permits was down by 24% compared to July of a year ago; however, the July 2015 permit total was up by over 37% compared to the prior year, and the year-to-date 2016 total is over 9% improved compared to last year.
- Existing home sales were down for the month compared to the July monthly record established last year, and the near-record year-to-date total. The number of closed sales in July 2016 was down by 11.% year-over-year, and the total through July is now down by about 5%. The July average price was up slightly, and the average sale price through July is up by a stout 4.7% compared to the January-July 2015 average.
- The McAllen city unemployment rate of 5.0% in July was unchanged from July of a year ago; however, July payroll employment estimates suggest the addition of about 5,700 jobs compared to July of 2015 for a growth rate of a respectable 2.7% over the last 12 months.