

McAllen Area ECONOMIC PULSE

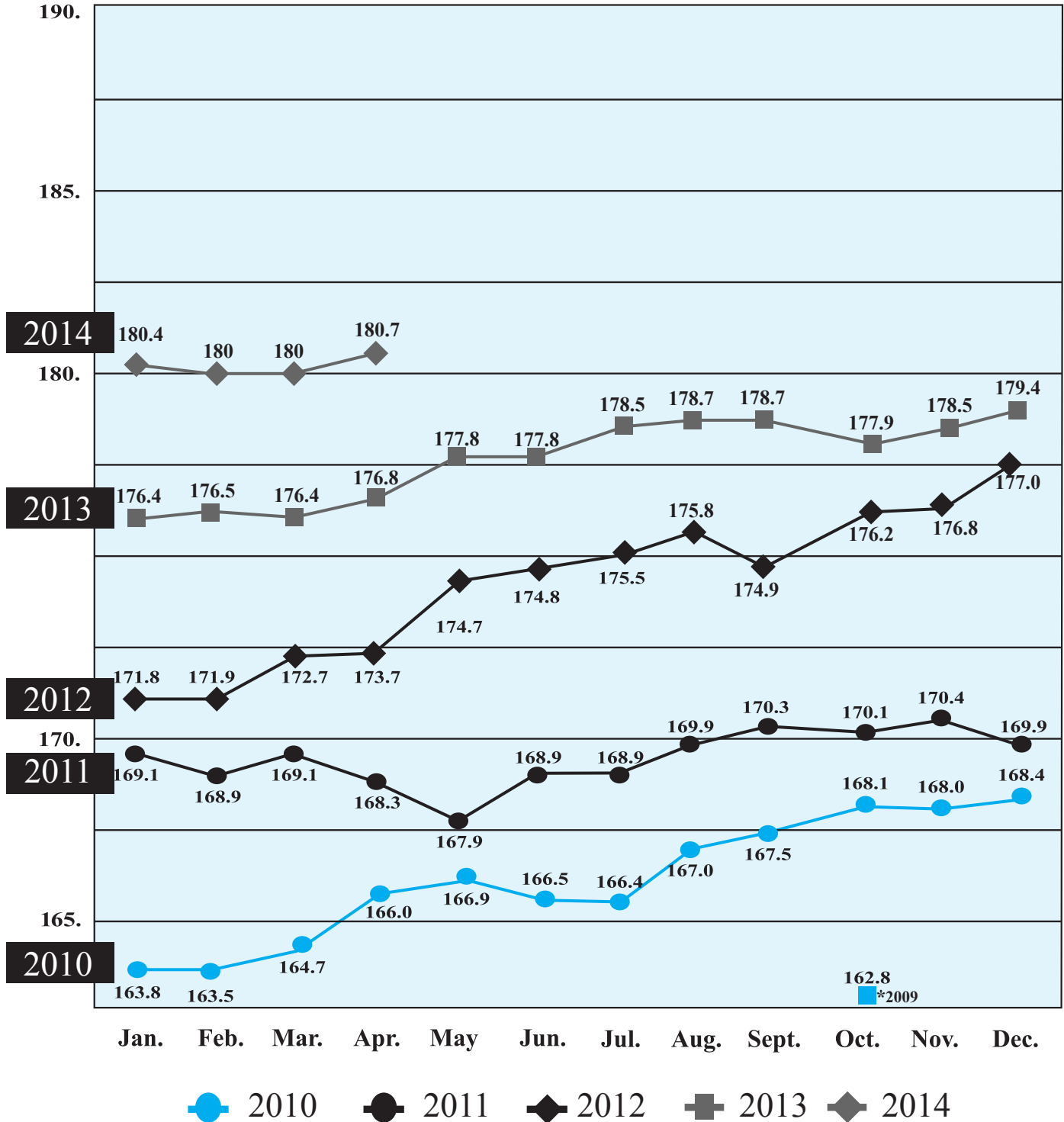
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April 2014 Economic Pulse

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 April 2014	LAST YEAR April 2013	% CHANGE 2013 - 2014
Retail Sales (\$000's - Per April sales tax rebate) *	\$286,370	\$280,640	2.0%
Retail Sales (\$000's - Year-to-Date) *	\$1,305,579	\$1,276,932	2.2%
Dollars Spent on Auto Purchases (\$000's - April) *	\$155,234	\$147,695	5.1%
Dollars Spent on Auto Purchases (\$000's - YTD) *	\$529,007	\$499,677	5.9%
Lodging Tax Receipts (April)	\$393,600	\$304,414	29.3%
Lodging Tax Receipts (YTD)	\$1,451,348	\$1,304,339	11.3%
Airline Boardings (April)	32,995	27,938	18.1%
Airline Boardings (YTD)	118,126	108,211	9.2%
Value All Construction Permits (April)	\$42,791,176	\$29,070,720	47.2%
Value All Construction Permits (YTD)	\$148,981,113	\$134,050,879	11.1%
New Home Permits (April)	108	112	-3.6%
New Home Permits (YTD)	409	355	15.2%
Home Sales (April)	217	206	5.3%
Home Sales (YTD)	742	731	1.5%
Average Home Sale Price (April)	\$135,275	\$127,249	6.3%
Average Home Sale Price (YTD)	\$129,448	\$121,970	6.1%
Hidalgo Bridge Crossings (April)	445,984	435,679	2.4%
Hidalgo Bridge Crossings (YTD)	1,736,475	1,725,429	0.6%
Peso/Dollar Exchange Rate (April)	13.55	12.55	8.0%
Employment	237,800	234,800	1.3%
Wage & Salary Employment (April)	237,475	233,225	1.8%
Wage & Salary Employment (YTD Avg)	8.6	10.5	-18.1%
Unemployment Rate (April)	9.7	10.9	-10.7%
Unemployment Rate (YTD Average)			
INDEX - April (Base=100 Jan 1996)	180.7	177.0	2.1%

* Adjusted for inflation by restating in year 1995 dollars

- The McAllen Economic Index under the newly revised methodology increased to 180.7 in April up from 180.0 in March, and up 2.1% from the April 2013 MEI of 177.0. The April index of 180.7 is the highest since December 2008 (when the index was in decline), but remains down by some 5.2% compared to the index peak of 190.6 achieved in January 2008.

- A strong building permit total in April helped to push the index upward, along with moderate but steady growth in spending and employment, and at least modest growth in most other indicators. In fact, on the April table of economic indicators only the monthly number of new single-family housing construction permits was negative compared to year-ago levels.

- Growth in the all-important general spending and employment categories remains weak, but it is growth nonetheless. Real (inflation-adjusted) spending per April sales tax receipts was up by 2.0% compared to April of a year-ago; for the year-to-date, general real taxable spending is up by 2.2% compared to the first four months of 2013.

- Employment growth has narrowed in the McAllen metro area with the year-over-year margin of improvement dipping to about 1.3% in April, the lowest rate of growth thus far in 2014. An estimated 3,000 jobs were added to the McAllen economy over the last 12 months. The unemployment rate continues its steady decline, falling to 8.6% in April down from 10.2% in April of a year ago.

- Auto sales continue to be very strong in McAllen with inflation-adjusted spending on new and used automobiles up by 5.1% in April compared to April 2013, which in turn was up by over 24% compared to April of the prior year.

- After year-over-year declines in April each of the past two years, construction activity per April 2014 building permits issued in the metro area increased by a sharp 42% compared to April of a year ago, pulling the year-to-date total to over 11% improved compared to the first four months of a year ago. Housing construction remains generally sound even though the number of new single-family residence permits issued declined slightly in April compared to year-ago levels. For the year-to-date the number of new housing construction permits issued is up by a solid 15% compared to the YTD through April 2013 total.

- The residential real estate market improved in April as well, with increases both in the number of homes sold and the price of those sales. The number of closed sales in April was up by over 5% compared to April 2013, which in turn was up by over 22% compared to April of the prior year. The monthly and year-to-date average sale price levels are both in excess of 6% higher compared to year-ago levels.