

McAllen Area ECONOMIC PULSE

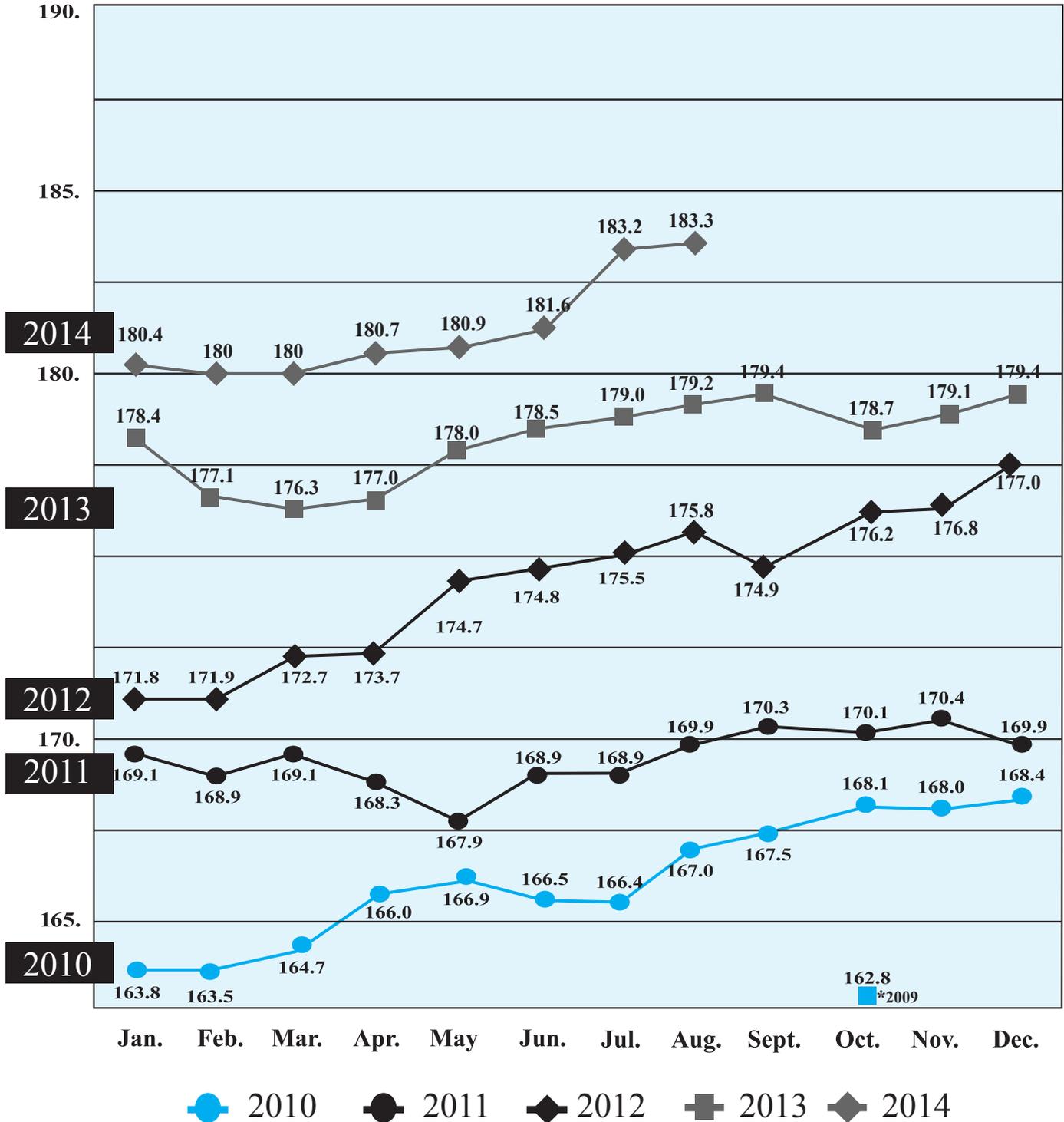
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August 2014 Economic Pulse

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 August 2014	LAST YEAR August 2013	% CHANGE 2013 - 2014
Retail Sales (\$000's - August in 1995\$)*	\$330,742	\$330,983	-0.1%
Retail Sales (\$000's - Year-to-Date)*	\$2,601,491	\$2,522,034	3.2%
Dollars Spent on Auto Purchases (\$000's - August in 1995\$)*	\$127,509	\$126,350	0.9%
Dollars Spent on Auto Purchases (\$000's - YTD)*	\$1,005,215	\$947,078	6.1%
Lodging Tax Receipts (August)	\$369,965	\$384,478	-3.8%
Lodging Tax Receipts (YTD)	\$2,803,956	\$2,564,052	9.4%
Airline Boardings (August)	33,692	30,040	12.2%
Airline Boardings (YTD)	266,560	241,984	10.2%
Value All Construction Permits (August)	\$39,882,549	\$45,774,799	-12.9%
Value All Construction Permits (YTD)	\$385,294,980	\$375,010,268	2.7%
New Home Permits (August)	99	104	-4.8%
New Home Permits (YTD)	851	754	12.9%
Home Sales (August)	199	156	27.6%
Home Sales (YTD)	1,608	1,509	6.6%
Average Home Sale Price (August)	\$143,860	\$125,539	14.6%
Average Home Sale Price (YTD)	\$134,314	\$130,049	3.3%
Hidalgo Bridge Crossings (August)	450,022	457,463	-1.6%
Hidalgo Bridge Crossings (YTD)	3,504,197	3,548,522	-1.2%
Peso Exchange Rate (August)	13.45	13.45	0.0%
Employment			
Wage & Salary Employment (August)	234,900	231,300	1.6%
Wage & Salary Employment (YTD Avg)	236,700	232,640	1.7%
Unemployment Rate (August)	8.5	10.9	-22.0%
Unemployment Rate (YTD Average)	9.4	11.0	-14.0%
INDEX - August (Base=100 Jan 1996)	183.3	179.2	2.3%

*Adjusted for Inflation by Re-Stating in Year 1995 Dollars

- The McAllen Economic Index increased just very slightly from July to August, rising a tenth of a point to 183.3 up from 183.2 in July, and up 2.3% from the August 2013 MEI of 179.2. General spending and auto spending were flat in the metro area for the month, and the rate of year-over-year employment growth slowed in August. Construction and home building were down for the month compared to year-ago levels, but the home sales numbers were sharply higher.

- After a sharp drop in August of a year ago, housing sales in the McAllen metro area recovered in August 2014 with a 28% increase in the number of closed sales. For the year-to-date, the number of homes sold is up by a solid 6.8% and remains the highest since 2008. The August monthly average sale price was up by nearly 15% compared to August of a year ago, and is up by a healthy 3.3% through August compared to the first eight months of 2013. The inflation-adjusted total dollar volume of residential sales activity was up by a whopping 43% in August, and is up 7.6% for the year-to-date.

- Real (inflation-adjusted) taxable spending in McAllen was generally flat per August sales tax receipts compared to August of a year ago, though the year-to-date total remains in record territory and is a respectable 3.2% improved over the same period in 2013. Real auto spending was also flat, up by less than a percent compared to August of a year ago, but also remains in record territory and is up by over 6% compared to the first eight months of 2013.

- Construction activity per building permit valuations is respectable enough at nearly \$40 million, but is down compared to some large August numbers the last two years. Thus far in 2014, building permit activity is up by 2.7% compared to the January-August 2013 period, which in turn was up by nearly 14% compared to the prior year. The number of new single-family housing construction permits was off by nearly 5% compared to August of a year ago, which in turn was up by over 20% compared to the prior year. Home building remains solid for the year-to-date with the number of permits issued up by some 13%.

- After rising to 2.2% in July the rate of year-over-year employment growth subsided in August to 1.6%, reflecting the addition of an estimated 3,600 jobs over the last 12 months. Job growth remains moderate but very steady in the McAllen metro area, and the unemployment rate remains solidly on the decline.