

McAllen Area ECONOMIC PULSE

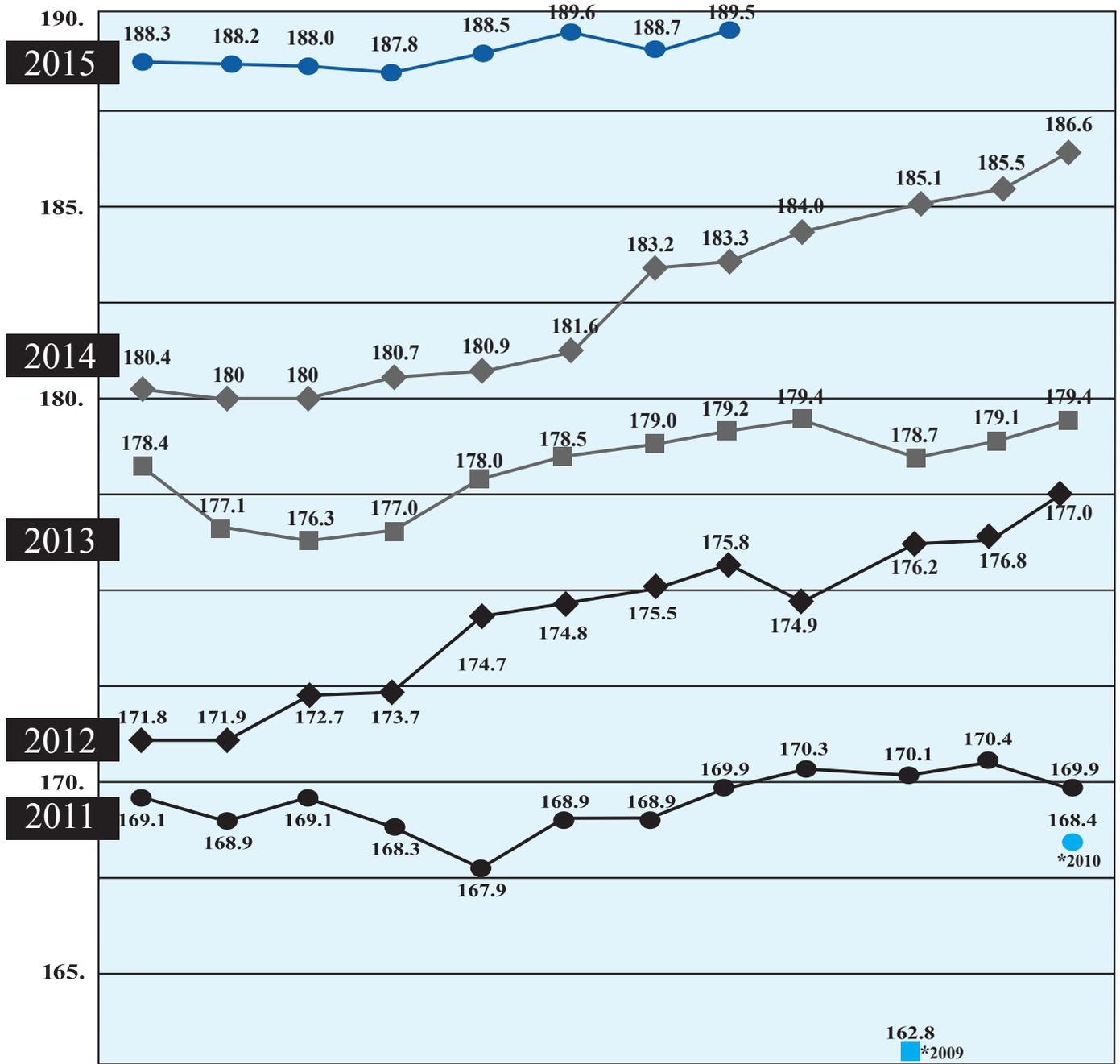
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August 2015 Economic Pulse

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.



● 2011 ◆ 2012 ■ 2013 ◆ 2014 ● 2015

ECONOMIC INDICATORS	THIS YEAR August 2015	LAST YEAR August 2014	% CHANGE 2014 - 2015
Retail Sales (\$000's - Per August sales tax rebate) *	\$343,740	\$330,742	3.9%
Retail Sales (\$000's - Year-to-Date)*	\$2,620,442	\$2,601,491	0.7%
Dollars Spent on Auto Purchases (\$000's - August) *	\$130,026	\$127,509	2.0%
Dollars Spent on Auto Purchases (\$000's - YTD) *	\$1,053,509	\$1,005,215	4.8%
Lodging Tax Receipts (August)	\$349,114	\$369,965	-5.6%
Lodging Tax Receipts (YTD)	\$2,861,472	\$2,803,956	2.1%
Airline Boardings (August)	35,387	33,692	5.0%
Airline Boardings (YTD)	275,730	266,560	3.4%
Value All Construction Permits (August)	\$46,454,413	\$39,882,549	16.5%
Value All Construction Permits (YTD)	\$304,344,220	\$385,294,980	-21.0%
New Home Permits (August)	134	99	35.4%
New Home Permits (YTD)	907	851	6.6%
Home Sales (August)	223	199	12.1%
Home Sales (YTD)	1,739	1,608	8.1%
Average Home Sale Price (August)	\$142,065	\$143,860	-1.2%
Average Home Sale Price (YTD Avg)	\$135,790	\$134,314	1.1%
Dollar Volume Residential Real Estate Sales (August) *	\$19,681,926	\$18,205,292	8.1%
Home Sales Dollar Volume of Activity (YTD)	\$147,463,281	\$138,310,590	6.6%
Hidalgo Bridge Crossings (August)	450,378	450,022	0.1%
Hidalgo Bridge Crossings (YTD)	3,562,144	3,504,197	1.7%
Peso/Dollar Exchange Rate (August)	16.30	13.45	21.2%
Employment			
Wage & Salary Employment (August)	246,100	239,900	2.6%
Wage & Salary Employment (YTD Avg)	247,090	240,590	2.7%
Unemployment Rate (August)	5.0	6.0	-16.7%
Unemployment Rate (YTD Average)	4.8	6.0	-19.2%
INDEX - August (Base=100 Jan 1996)	189.5	185.2	2.3%

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

- After declining in July, the McAllen Economic Index rebounded in August, recovering to 189.5 up from 188.7 in July, and up 2.3% from the August 2014 MEI of 185.2. That moves the index once again ever closer to its all-time high of 191.1 achieved in January 2008. (Prior to the July decline the index reached 189.6 in June of 2015).

- A sharp uptick in new home building permits helped to move the index higher in August, along with strong existing home sales. Spending was higher for the month, and auto spending was up slightly compared to year-ago levels. Job growth remains impressive, and the McAllen city unemployment rate continues to post significant year-over-year declines.

- General real (inflation-adjusted) spending per August sales tax receipts is a new record for the month of August, and is up a solid 3.9% compared to August of a year ago. The year-to-date total remains generally flat compared to its year-ago level, up by less than a percent through August compared to the first eight months of 2014. Real auto spending was up modestly for the month with August sales up by 2% compared to August of a year ago. Spending is up impressively for the year-to-date however, posting a 4.8% increase compared to the January-August 2014 period, which in turn was up by over 6% compared to the previous year.

- Construction activity also returned to positive year-over-year territory in August with the total building permit valuation for the four-city metro area up by 16.5% compared to August of 2014. The year-to-date total remains down compared to last year - in fact the last two years have been strong - down by 21% compared to the first eight months of a year ago.

- The housing numbers were strong in August, both in terms of new single-family housing construction and existing home sales. The number of new single-family residence construction permits posted a strong double-digit percentage year-over-year increase for the second straight month up by 35% compared to the August 2014 total. The total for the year-to-date is up by a solid 5.6% compared to the total through August 2014, which in turn was up by 14% compared to the first eight months of the prior year.

- The residential real estate market continues to improve with the number of closed sales up by 12% in August compared to August of a year ago, the second straight increase of over 10%, and the third in the last four months. The sales numbers have not quite returned to the record levels of 2007 and 2008, but continues to move closer to those levels in 2015. The August monthly average price was down slightly compared to August of a year ago; however, the August 2014 monthly average was up by over 14% compared to the prior year, so in that context home sale prices remain generally strong in the McAllen metro area.

- Adjusted for inflation, the total dollar volume of residential real estate sales is also down compared to the record years of 2007 and 2008, but is up by an impressive 8.1% for the month and 6.6% for the year-to-date.

- The McAllen metro area employment situation continues to improve with solid year-over-year employment growth and sharp decline in the unemployment rate. An estimated 6,200 jobs were added to the local economy over the last 12 months for a growth rate of 2.6%, which ranks as ninth best among Texas' 26 metro areas. The McAllen city unemployment rate for August at 5.0% is the lowest for the month of August since the 4.5% recorded in August 2007, and is down by a full point compared to August of a year ago.