

McAllen Area ECONOMIC PULSE

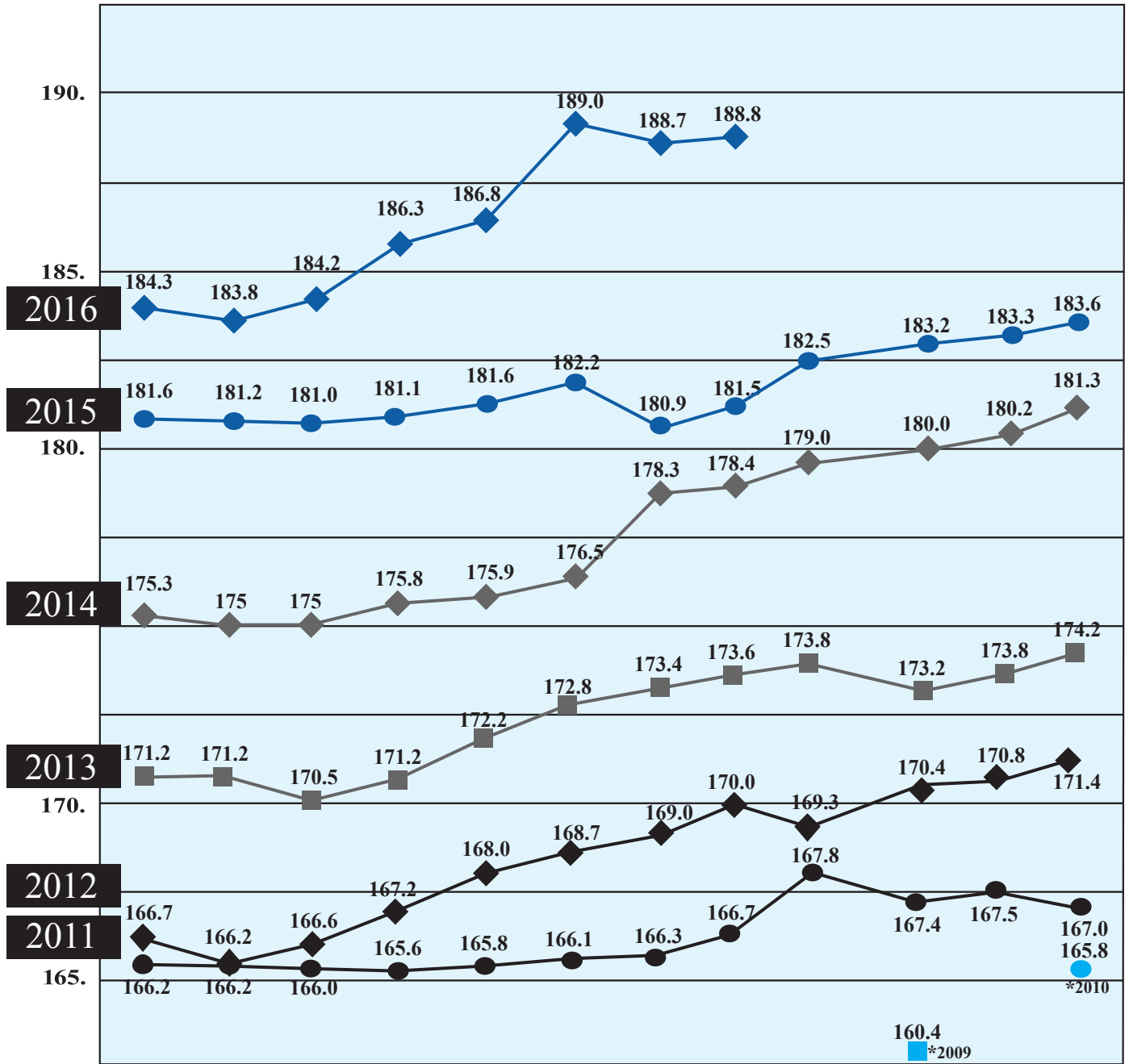
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August 2016 Economic Pulse

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

ECONOMIC INDICATORS*	THIS YEAR August 2016	LAST YEAR August 2015	% CHANGE 2015 - 2016
Retail Sales (\$000's - Per August sales tax rebate)	\$525,130,697	\$524,841,503	0.1%
Retail Sales (\$000's - Year-To-Date)	\$3,896,655,360	\$4,001,041,176	-2.6%
Dollars Spent on Auto Purchases (\$000's - Aug)	\$150,367,682	\$131,974,844	13.9%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$1,154,917,051	\$1,069,563,534	8.0%
Lodging Tax Receipts (August)	\$316,457	\$356,343	-11.2%
Lodging Tax Receipts (YTD)	\$2,687,956	\$2,948,015	-8.8%
Airline Boardings (August)	30,338	35,387	-14.3%
Airline Boardings (YTD)	246,520	275,892	-10.6%
Value All Construction Permits (August)	\$61,645,964	\$45,136,733	36.6%
Value All Construction Permits (YTD)	\$564,504,072	\$293,347,286	92.4%
New Home Permits (August)	122	134	-9.0%
New Home Permits (YTD)	968	907	6.7%
Home Sales (August)	186	223	-16.6%
Home Sales (YTD)	1,624	1,739	-6.6%
Average Home Sale Price (August)	\$159,452	\$142,065	12.2%
Average Home Sale Price (YTD)	\$143,240	\$135,790	5.5%
Dollar Volume Residential Real Estate Sales (Aug.)	\$29,658,065	\$32,267,644	-8.1%
Dollar Volume Residential Real Estate Sales (YTD)	\$233,771,766	\$241,759,504	-3.3%
Hidalgo Bridge Crossings (August)	474,894	450,022	5.5%
Hidalgo Bridge Crossings (YTD)	3,723,954	3,561,788	4.6%
Peso Exchange Rate (August)	18.47	16.50	11.9%
Employment			
Wage & Salary Employment (August)	252,300	245,600	2.7%
Wage & Salary Employment (YTD Avg)	253,665	247,225	2.6%
Unemployment Rate (McAllen City - August)	5.3	5.2	1.9%
Unemployment Rate (YTD Average)	4.8	5.0	-4.5%
INDEX - August (Base=100 January 1996)	188.8	181.5	4.0%

* 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

- The McAllen Economic Index continues to hover around its record level, adding a slight tenth of a point in August to 188.8 up from 188.7 in July, and up 4.0% from the August 2015 MEI of 181.5. The current index record is 189.0 established in June of this year, which again finally surpassed the previous record of 186.8 achieved in January 2008.

- Sluggish retail spending, along with lower new housing construction permits and existing home sales helped to keep the lid on index growth in August; the travel & tourism indicators are lower for the month as well, and the unemployment rate remains slightly above its year-ago level though the metro area continues to add jobs.

- General spending per sales tax receipts was flat compared to August of a year ago, and the total for the year-to-date remains slightly in negative territory, off by 2.6% compared to the first eight months of 2015. Auto sales activity was higher, however, with inflation-adjusted spending on new and used motor vehicles up by nearly 14% in August compared to August of a year ago.

- Construction activity was sharply higher in August with real (inflation-adjusted) building permit valuations up by over 36%; both the August monthly total and the year-to-date total are the highest (for the month of August) since 2007, and permit activity thus far in 2016 is close to double the total through August of a year ago. New housing construction was down in August, however, with the number of permits down by 9% for the month, though the year-to-date total remains in positive territory.

- Existing home sales were down by double-digit percentage points for the second straight month, with the number of closed sales down by nearly 17% in August compared to August of a year ago. The average price of those sales was sharply higher, however, posting a 12% increase compared to the August 2015 monthly average. Through August, the inflation-adjusted total dollar volume of residential real estate sales activity is down by about 3% compared to the first eight months of a year ago.