

# McAllen Area ECONOMIC PULSE

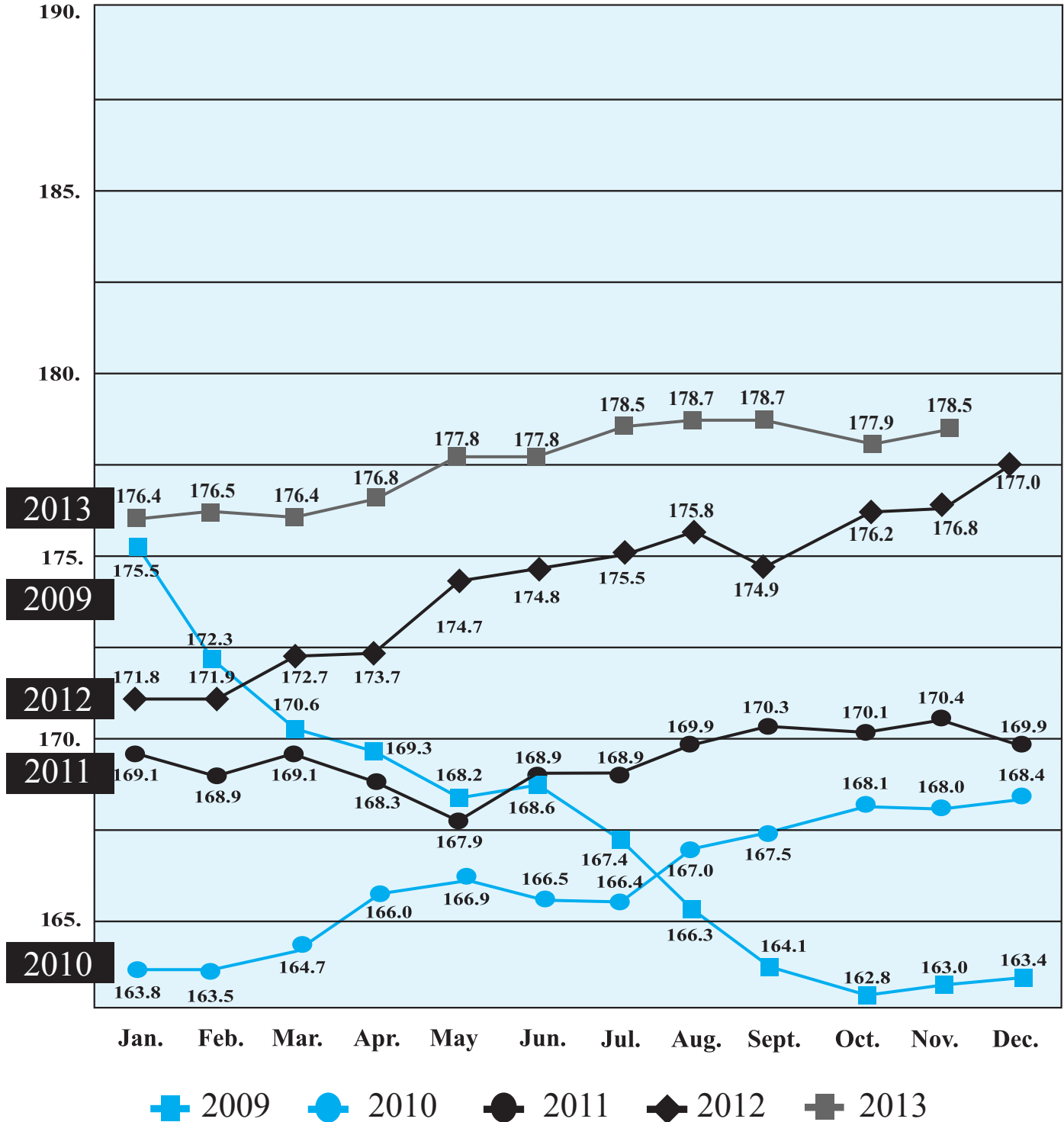
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## November 2013 Economic Pulse

### 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 October 2013	LAST YEAR October 2012	% CHANGE 2012 - 2013
Retail Sales (\$000's - November in 1995\$) *	\$308,590	\$311,545	-0.9%
Retail Sales (\$000's - Year-To-Date) *	\$3,264,799	\$3,301,758	-1.1%
Dollars Spent on Auto Purchases (\$000's - Nov in 1995\$)	\$91,876	\$99,484	-7.6%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$1,274,761	\$1,211,475	5.2%
Lodging Tax Receipts (November)	\$350,826	\$341,511	2.7%
Lodging Tax Receipts (YTD)	\$3,513,052	\$3,258,096	7.8%
Airline Boardings (November)	27,419	26,824	2.2%
Airline Boardings (YTD)	322,764	304,413	6.0%
Value All Construction Permits (November)	\$38,778,213	\$24,603,252	57.6%
Value All Construction Permits (YTD)	\$463,095,147	\$446,040,339	3.8%
New Home Permits (November)	90	78	15.4%
New Home Permits (YTD)	1,026	1,064	-3.6%
Home Sales (November)	166	134	23.9%
Home Sales (YTD)	2,063	1,999	3.2%
Average Home Sale Price (November)	\$132,936	\$122,616	8.4%
Average Home Sale Price (YTD Avg)	\$132,862	\$127,044	4.6%
Hidalgo Bridge Crossings (November)	450,023	456,965	-1.5%
Hidalgo Bridge Crossings (YTD)	4,850,788	4,892,082	-0.8%
Peso/US Dollar Exchange Rate (November)	13.65	12.65	7.9%
<b>Employment</b>			
Wage & Salary Employment (November)	236,500	233,600	1.2%
Wage & Salary Employment (YTD Avg)	231,810	228,200	1.6%
Unemployment Rate (November)	10.3	9.9	4.0%
Unemployment Rate (YTD Average)	10.8	11.0	-1.6%
<b>INDEX - November (Base=100 Jan 1996)</b>	<b>178.5</b>	<b>176.8</b>	<b>1.0%</b>

\* Adjusted for inflation by restating in year 1995 dollars

In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" -- requests for sales tax refunds on items purchased by Mexican citizens or for export into Mexico.	Export Sales per Manifiestos	Total Retail Sales	Export Sales of Total Sales
<b>November 2013</b>	\$28,727	\$440,807	6.5%
<b>YTD 2013</b>	\$270,728	\$4,630,007	5.8%

- The McAllen Economic Index returned to growth form in November, rising to 178.5 up from 177.9 in October, and up 1.0% from the November 2012 MEI of 176.8. Overall growth in the McAllen metro area economy has flattened in recent months; the McAllen Economic Index was at 178.5 in July 2013, and rose to 178.7 in August and September before retreating modestly in October.

- General real spending is flat through November with inflation-adjusted spending per sales tax receipts in the four-city metro area down by about a percent in November, and down 1.1% for the year-to-date compared to the first eleven months of 2012. The 2012 numbers were pretty high, however - the November 2012 real taxable spending total was up by over 10% compared to November of the prior year, and the YTD through November total was up by a stout 7% compared to the same period in 2011. So in that context, the 2013 numbers remain generally high and solid, but again have flattened relatively to year-ago levels.

- Auto spending was lower in November as well, with inflation-adjusted spending on new and used automobiles down by 7.6% compared to November of a year ago; for the year-to-date, real auto spending remains improved over year-ago levels, however, up by 5.2% through November compared to the YTD through November 2012 total, which in turn was up by 17% compared to the prior year.

- The travel and tourism indicators continue to look solid with airline passenger activity and hotel/motel tax receipts both higher for the month as well as the year-to-date.

- After three straight months of double-digit percentage year-over-year decline, construction activity per building permit valuations posted a sharp increase in November with the value of all building permits issued in the metro area up by nearly 58% compared to November of a year ago. For the year-to-date, the total building permit valuation is up by 3.8% compared to the YTD through November 2012 total.

- Housing construction turned higher in November as well, with the number of new single-family residence construction permits up by over 15% compared to November of a year ago; for the year, however, the number of new home building permits remains down by some 3-4%, again, the third straight year of decline.

- The residential real estate market was sharply improved in November, largely owing to lower numbers in November of a year ago. The number of closed sales was up by some 23% compared to November of a year ago, which in turn was down by about 17% compared to the prior year. The November monthly average price was up by over 8% year-over-year, but the November 2012 monthly average was down by over 11% compared to the prior year.

- Employment growth continues in the McAllen metro area, though at very modest rates of improvement. The November monthly payroll employment estimate is up by about 1.2% compared to November of a year ago (the addition of an estimated 2,900 jobs), and employment growth is averaging about 1.6% on average for the year-to-date through November.