

McAllen Area ECONOMIC PULSE

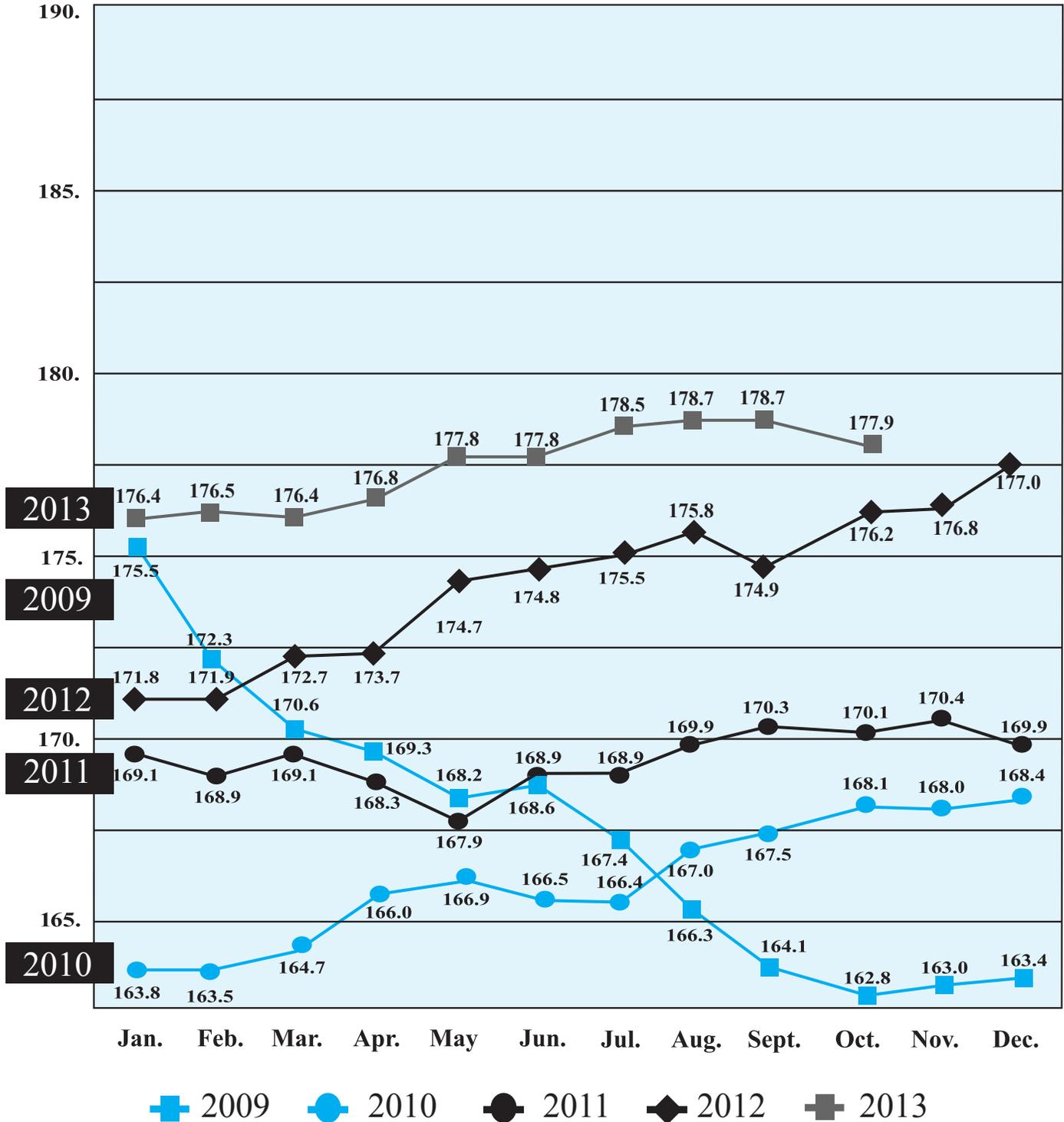
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October 2013 Economic Pulse

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 - 3rd Quarter in 1995\$)	\$277,478	\$287,643	-3.5%
Retail Sales (\$000's - Year-To-Date)	\$2,956,209	\$2,990,212	-1.1%
Dollars Spent on Auto Purchases (\$000's - 3rd Qtr in 1995\$)	\$121,989	\$115,978	5.2%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$1,182,886	\$1,111,549	6.4%
Lodging Tax Receipts (3rd Quarter)	\$317,338	\$262,289	21.0%
Lodging Tax Receipts (YTD)	\$3,162,227	\$2,916,586	8.4%
Airline Boardings (3rd Qtr)	27,008	22,009	22.7%
Airline Boardings (YTD)	295,345	277,589	6.4%
Value All Construction Permits (3rd Qtr)	\$30,111,309	\$66,208,512	-54.5%
Value All Construction Permits (YTD)	\$424,316,934	\$421,437,087	0.7%
New Home Permits (3rd Qtr)	88	111	-20.7%
New Home Permits (YTD)	936	986	-5.1%
Home Sales (3rd Qtr)	203	204	-0.5%
Home Sales (YTD)	1,897	1,865	1.7%
Average Home Sale Price (3rd Qtr)	\$142,533	\$146,090	-2.4%
Average Home Sale Price (YTD)	\$132,855	\$127,362	4.3%
Hidalgo Bridge Crossings (3rd Qtr)	440,381	444,446	-0.9%
Hidalgo Bridge Crossings (YTD)	4,400,765	4,435,117	-0.8%
Peso Exchange Rate (September)	13.25	12.50	6.0%
Employment			
Wage & Salary Employment (September)	233,500	230,900	1.1%
Wage & Salary Employment (YTD Avg)	234,340	227,660	2.9%
Unemployment Rate (September)	10.1	10.1	0.0%
Unemployment Rate (YTD Average)	10.9	11.1	-2.2%
INDEX - October (Base=100 Jan 1996)	177.9	176.2	1.0%

* 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
October 2013	\$26,067	\$400,172	6.5%
YTD 2013	\$291,027	\$4,230,043	6.9%

- The McAllen Economic Index retreated in October, falling to 177.9 down from 178.7 in November, but up 1.0% from the October 2012 MEI of 176.2. The McAllen Economic Index remains in positive year-over-year territory, but the rate of growth has narrowed from over 3% at the beginning of 2013 to around 1% in October.

- The McAllen general economy remains in recovery mode, though the pace of that recovery has slowed in recent months; the October 2013 McAllen Economic Index of 177.9 is down from the peak MEI of 189.8 by some 6.3%.

- General real (inflation-adjusted) taxable spending was down in October, and construction and home building were down sharply compared to year-ago levels. The pace of employment growth has moderated over the course of the year, and the unemployment rate is flat compared to year-ago levels.

- Total taxable spending in October, adjusted for inflation, was down by some 3.5% compared to the real spending total from October of a year ago; however, the October 2012 total was up sharply (over 14%) compared to October of the prior year, so in that context the October 2013 spending total remains reasonably favorable. For the year-to-date, general real spending is down by about 1.1% compared to the first ten months of 2012, which in turn was up by a stout 6.7% compared to the same period the prior year.

- Employment growth began the year at around 2% year-over-year; those growth rates have steadily narrowed over the year and are now down around 1% (about 2,600 jobs) compared to October of a year ago. The October unemployment rate was unchanged compared to October 2012 at 10.1%.

- Auto sales remain well into record territory, however, and continue to improve steadily with inflation-adjusted spending on new and used automobiles up by over 5% compared to October of a year ago, which in turn was up by well over 30% compared to October of the prior year. For the year-to-date, real auto spending is up by 6.4% compared to the January-October 2012 period.

- The travel and tourism indicators are strong for month, with hotel/motel tax receipts and airline passenger enplanements both up by over 20% compared to year-ago levels.

- Construction activity per metro area building permit valuations was down in October, albeit compared to a high number in October of a year ago (160% higher than October 2011); that does, however, represent the third straight double-digit percentage year-over-year decline. For the year-to-date, total building permit valuations are flat compared to year-ago levels, now up by less than a percent compared to the January-October 2012 total.

- Residential housing construction continues its pattern of general decline over the last three years, with the number of new single-family residence building permits down by about 20% in October (year-over-year), and down by about 5% for the year-to-date.

- Existing home sales were slightly lower in October compared to October 2012; however, the October 2012 sales total was a big one, up by over 20% compared to October of the prior year, and the highest October post-recession total. The year-to-date total is now just slightly higher compared to year-ago levels, but again, the YTD through October 2012 housing sales total was up by over 14% compared to the prior year. The average sale price for the month of October was down by about 2.4% compared to October of a year ago; however, the October 2012 monthly average price was up by a sharp 12.0% compared to October of the prior year. For the year-to-date, the average home sale price is up by a healthy 4.3% compared to the first ten months of 2012.