McAllen Area Economic Pulse

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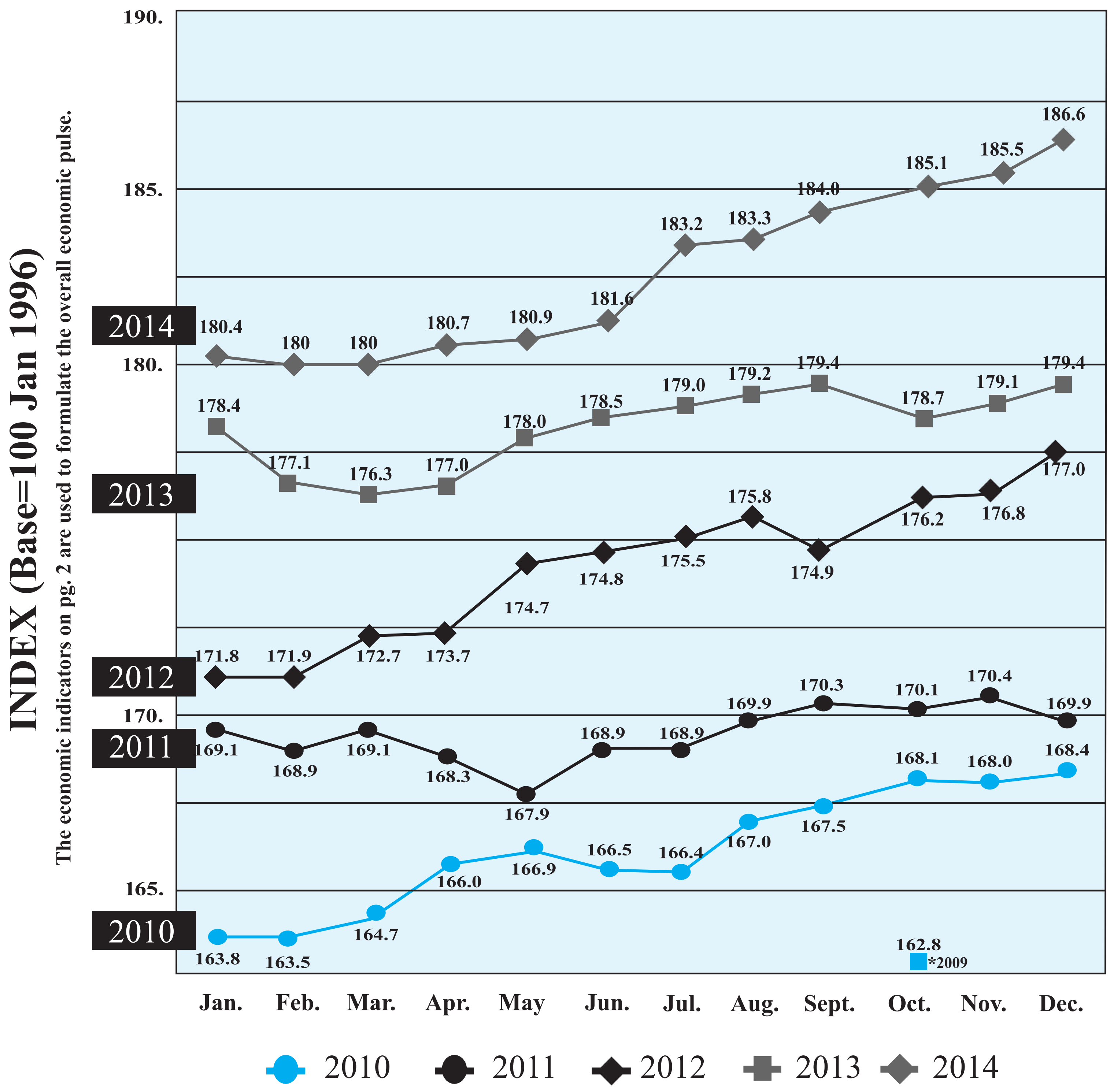
December 2014 Economic Pulse

The McAllen Chamber of Commerce Economic Index



The McAllen Area Economy

ECONOMIC INDICATORS	THIS YEAR December 2014	LAST YEAR December 2013	% CHANGE 2013 - 2014
Retail Sales ($000's - December in 1995$)*	$294,638	$277,477	6.2%
Retail Sales (4th Quarter)*	$918,308	$867,592	5.8%
Retail Sales (Annual)	$3,811,924	$3,680,709	3.6%
Dollars Spent on Auto Purchases ($000's - Dec. in 1995$)	$121,394	$103,226	17.6%
Dollars Spent on Auto Purchases (4th Quarter)	$367,126	$316,972	15.8%
Dollars Spent on Auto Purchases (Annual)	$1,504,545	$1,378,222	9.2%
Lodging Tax Receipts (December)	$346,922	$343,933	0.9%
Lodging Tax Receipts (4th Quarter)	$1,087,205	$1,012,097	7.4%
Lodging Tax Receipts (Annual)	$4,213,682	$3,856,986	9.2%
Airline Boardings (December)	$34,449	$29,825	15.5%
Airline Boardings (4th Quarter)	95,011	84,252	12.8%
Airline Boardings (Annual)	390,758	352,589	10.8%
Value All Construction Permits (December)	$38,448,387	$22,234,862	72.9%
Value All Construction Permits (4th Quarter)	$96,463,532	$91,124,383	5.9%
Value All Construction Permits (Annual)	$512,698,336	$485,330,009	5.6%
New Home Permits (December)	90	93	-3.2%
New Home Permits (4th Quarter)	269	271	-0.7%
New Home Permits (Annual)	1,218	1,119	8.8%
Home Sales (December)	220	155	41.9%
Home Sales (4th Quarter)	605	524	15.5%
Home Sales (Annual)	2,416	2,218	8.9%
Average Home Sale Price (December)	142,856	140,016	2.0%
Average Home Sale Price (4th Quarter)	$136,143	$138,748	-1.9%
Average Home Sale Price (Annual)	$135,667	$133,362	1.7%
Dollar Volume of Home Sales (December in 1955$)	$19,798,765	$14,040,467	41.0%
Dollar Volume of Home Sales (4th Quarter)	$52,004,473	$47,117,430	10.4%
Dollar Volume of Home Sales (Annual)	$208,984,461	$193,111,399	8.2%
Hidalgo Bridge Crossings (December)	505,546	508,664	-0.6%
Hidalgo Bridge Crossings (4th Quarter)	1,409,994	1,399,068	0.8%
Hidalgo Bridge Crossings (Annual)	5,330,122	5,359,452	-0.5%
Peso Exchange Rate (December)	$14.56	$13.35	9.1%
Employment			
Wage & Salary Employment (December)	246,300	238,900	3.1%
Wage & Salary Employment (Annual Avg)	238,7905	233,885	2.1%
Unemployment Rate (December)	7.8	10.4	-25.0%
Unemployment Rate (Annual Average)	9.1	10.8	-15.6%
INDEX - December (Base=100 Jan 1996)	186.6	179.4	4.0%

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

Key Points

- The McAllen metro area economy enjoyed a year of strong growth and expansion in 2014, and finished the year on a high note with the McAllen Economic Index rising to 186.6 in December up from 185.5 in November, and up 4.0% from the December 2013 MEI of 179.4. The fourth quarter economic performance was strong as well with annualized growth in the McAllen Economic Index of a stout 5.7%. The index increased for 11 of the 12 months in 2014.

- Annual 2014 numbers were strong with only Hidalgo bridge crossings down slightly compared to the 2013 total. Elsewhere, spending, employment, travel/tourism, construction, and housing all posted impressive year-over-year increases.

- Inflation-adjusted taxable spending was up by a solid 5.8% in the fourth quarter compared to the fourth quarter of the prior year, and was up by 3.6% for the year as a whole. Real auto spending was up by a sharp 15.8% in the fourth quarter, and over 9% for the year, the fifth straight year of strong auto sales increases.

- Airline traffic was up by over 10% in 2014, and McAllen hotel/motel tax receipts were over 9% higher in 2014 compared to 2013 suggesting the steady return of travel and tourism as a strong positive influence to the McAllen metro area economy.

- Construction activity per building permits issued in the four-city metro area was up by 5.6% in 2014, the strongest year for building activity since 2006. Home building activity slowed in the second half of the year, but still finished the year nearly 9% ahead of 2013 in terms of the number of new single-family residence construction permits issued.

- The residential real estate market put up solid numbers in 2014 with home sales up by some 9% for the year compared to 2013. The 2014 annual average price of $135,667 is the highest on record (unadjusted for inflation) and was up by 1.7% compared to the 2013 annual average, which in turn was up by 5% compared to the prior year. The total dollar volume of residential sales activity, which IS adjusted for inflation, was up by over 8% for the year in 2014.

- The McAllen metro area employment situation improved markedly in 2014. The pace of employment growth gained momentum at year-end with a 3.1% year-over-year increase in payroll employment in December, the largest margin of year-over-year growth of the entire year (and in fact since 2011). An estimated 7,400 jobs were added to the local economy in 2014, helping to pull the unemployment rate down by some 25% compared to its year-ago level.