

McAllen Area ECONOMIC PULSE

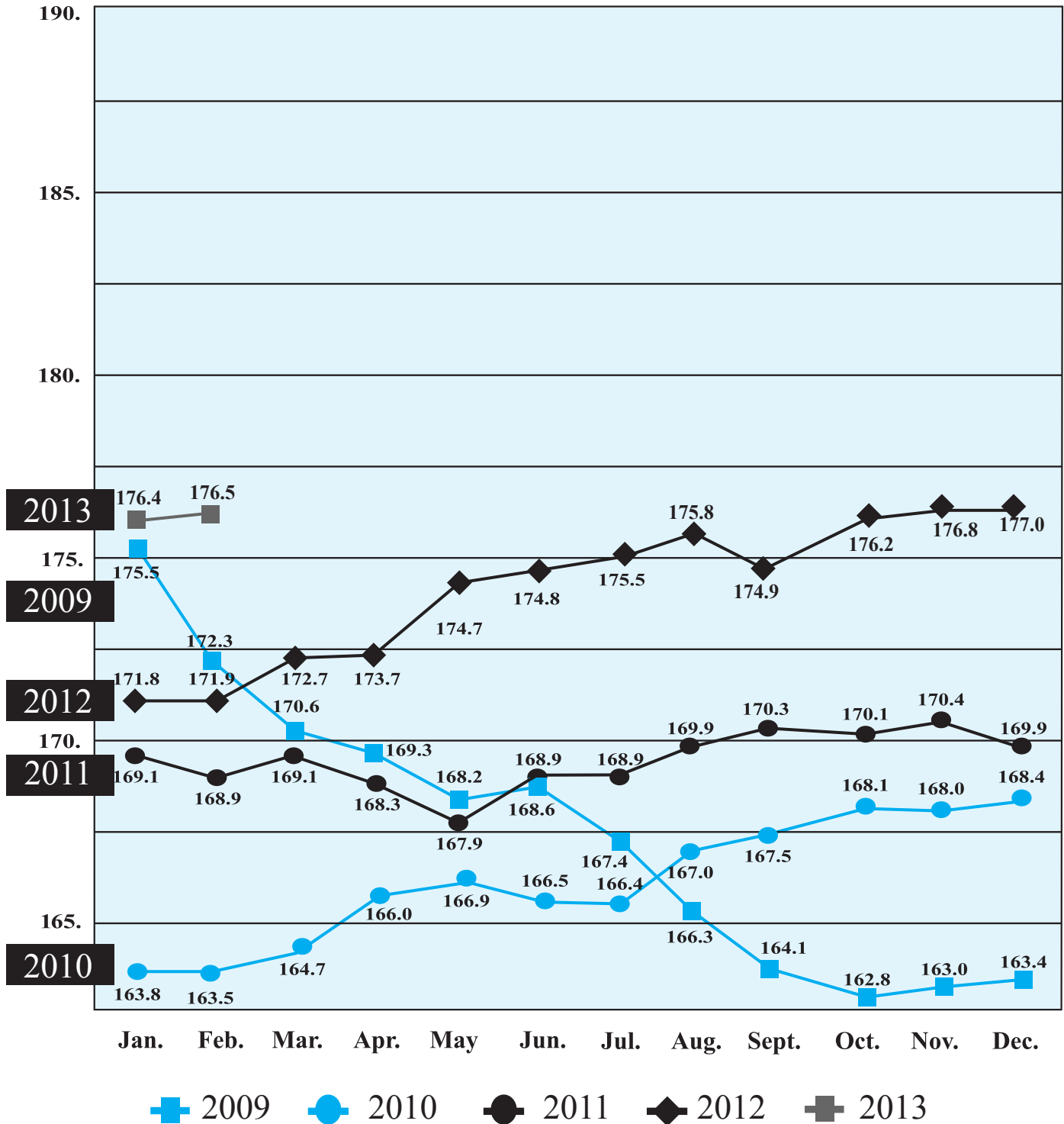
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February 2013 Economic Pulse

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.



The McAllen Area Economy

ECONOMIC INDICATORS	THIS YEAR February 2013	LAST YEAR February 2012	% CHANGE 2012 - 2013
Retail Sales (\$000's - February in 1995\$)	\$280,640	\$279,727	0.3%
Retail Sales (\$000's - Year-To-Date)	\$552,431	\$534,506	3.4%
Dollars Spent on Auto Purchases (\$000's - Feb in 1995\$)	\$101,484	\$101,243	0.2%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$222,470	\$202,390	9.9%
Lodging Tax Receipts (Feb)	\$288,120	\$285,912	0.8%
Lodging Tax Receipts (YTD)	\$599,557	\$551,818	8.7%
Airline Boardings (Feb)	24,430	24,951	-2.1%
Airline Boardings (YTD)	49,318	50,561	-2.5%
Value All Construction Permits (Feb)	\$35,728,965	\$24,774,192	44.2%
Value All Construction Permits (YTD)	\$58,261,831	\$58,816,678	-0.9%
New Home Permits (Feb)	80	72	11.1%
New Home Permits (YTD)	147	164	-10.4%
Home Sales (Feb)	191	159	20.1%
Home Sales (YTD)	342	285	20.0%
Average Home Sale Price (Feb)	\$117,016	\$113,296	3.3%
Average Home Sale Price (YTD Avg)	\$118,117	\$113,236	4.3%
Hidalgo Bridge Crossings (Feb)	412,621	406,786	1.4%
Hidalgo Bridge Crossings (YTD)	837,631	835,967	0.2%
Peso/Dollar Exchange Rate (Feb)	12.35	12.55	-1.6%
Employment			
Wage & Salary Employment (Feb)	232,400	227,800	2.0%
Wage & Salary Employment (YTD Avg)	232,350	227,300	2.2%
Unemployment Rate (Feb)	11.0	11.4	-3.5%
Unemployment Rate (YTD Average)	11.3	11.6	-2.6%
INDEX - February (Base=100 Jan 1996)	176.5	171.2	3.1%

In January 2004 the Texas Comptroller's Office began tracking "Manifestos" -- requests for sales tax refunds on items purchased by Mexican citizens or for export into Mexico.

	Export Sales per Manifestos	Total Retail Sales	Export Sales of Total Sales
February 2013	\$25,348	\$399,184	6.3%
YTD 2013	\$53,387	\$785,094	6.8%

The McAllen Economic Index improved very slightly in February, rising to 176.5 up from 176.4 in January, and up 3.1% from the February 2012 MEI of 171.2

Construction and housing helped to boost the economy in February, while the spending indicators were flat compared to high numbers from a year ago. Employment continues to post modest year-over-year growth, and the unemployment rate continues to come down slowly but steadily.

General real taxable spending in February was up only slightly compared to a year ago; however, the February 2012 spending total was up by nearly 11% compared to February of the prior year, so spending remains generally at a high level. For the year-to-date, general spending is up by 3.4% compared to the first two months of 2012.

Auto sales were flat compared to year-ago levels with inflation-adjusted spending on new and used automobiles up by a scant .2% compared to February of a year ago. Again, though, the February 2012 total was up by nearly 24% compared to the prior year. For the year-to-date, real auto spending is up by about 10% compared to the first two months of 2012.

Construction activity posted its highest February level of activity since 2008 with the valuation of building permits issued up by over 44% compared to February 2012. Housing construction was up in February compared to a low total in February 2012, but is down for the year-to-date compared to the first two months of a year ago.

The residential real estate market continues to improve with existing home sales up by 20% in February (year-over-year), the highest February monthly sales total since 2008. Prices were up by a healthy 3.3% in February compared to the February 2012 average sale price.

About 4,600 jobs were added to the McAllen metro area economy over the year, with February payroll employment up by a modest but steady 2.0% compared to February of a year ago.

Key Points