

McAllen Area ECONOMIC PULSE

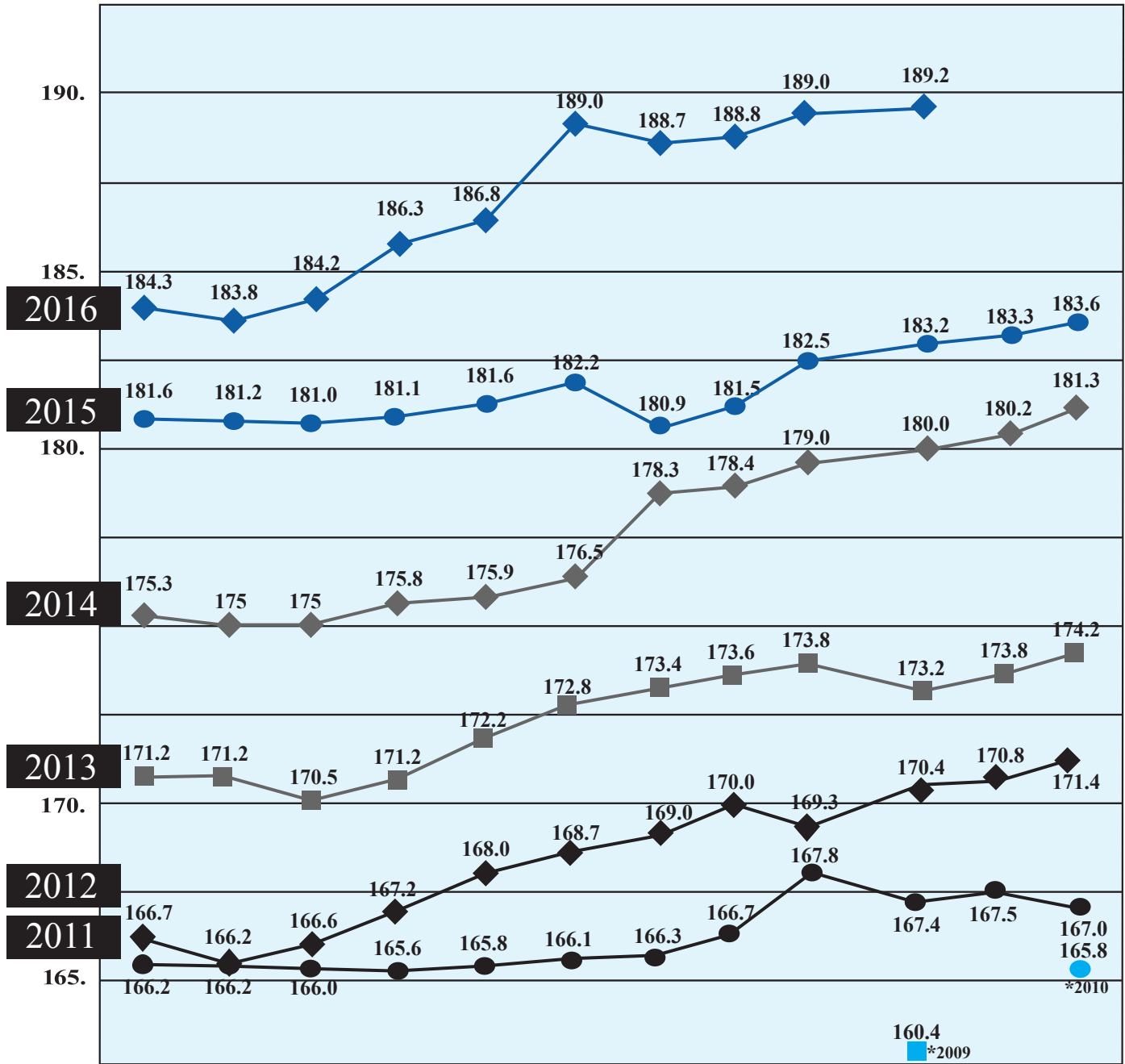
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October 2016 Economic Pulse

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.



● 2011 ◆ 2012 ■ 2013 ◆ 2014 ● 2015 ◆ 2016

ECONOMIC INDICATORS*	THIS YEAR October 2016	LAST YEAR October 2015	% CHANGE 2015 - 2016
Retail Sales (\$000's - Per October sales tax rebate)	\$446,802,061	\$479,314,553	-6.8%
Retail Sales (\$000's - Year-To-Date)	\$4,793,128,523	\$4,955,483,558	-3.3%
Dollars Spent on Auto Purchases (\$000's - Oct)	\$133,753,362	\$152,719,476	-12.4%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$1,424,601,800	\$1,358,706,427	4.8%
Lodging Tax Receipts (October)	\$306,162	\$319,982	-4.3%
Lodging Tax Receipts (YTD)	\$3,349,482	\$3,595,479	-6.8%
Airline Boardings (October)	29,874	31,432	-5.0%
Airline Boardings (YTD)	304,697	336,366	-9.4%
Value All Construction Permits (October)	\$61,074,252	\$52,683,639	15.9%
Value All Construction Permits (YTD)	\$692,261,486	\$391,487,521	76.8%
New Home Permits (October)	110	106	3.8%
New Home Permits (YTD)	1,204	1,129	6.6%
Home Sales (October)	221	225	-1.8%
Home Sales (YTD)	2,036	2,201	-7.5%
Average Home Sale Price (October)	\$161,512	\$153,470	5.2%
Average Home Sale Price (YTD)	\$145,334	\$138,517	4.9%
Dollar Volume Residential Real Estate Sales (Oct.)	\$35,694,101	\$35,175,416	1.5%
Dollar Volume Residential Real Estate Sales (YTD)	\$297,907,308	\$312,676,491	-4.7%
Hidalgo Bridge Crossings (October)	474,596	459,385	3.3%
Hidalgo Bridge Crossings (YTD)	4,661,549	4,471,551	4.2%
Peso Exchange Rate (October)	18.94	16.57	14.3%
Employment			
Wage & Salary Employment (October)	256,900	249,500	3.0%
Wage & Salary Employment (YTD Avg)	254,090	247,440	2.7%
Unemployment Rate (McAllen City - October)	4.5	4.9	-8.2%
Unemployment Rate (YTD Average)	4.8	5.0	-4.0%
INDEX - October (Base=100 January 1996)	189.2	183.2	3.3%

* 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 increased only modestly in October, but it was enough to establish a new index record at 189.2 up from 189.0 in September (revised downward from the original 189.1 due to a slight downward revision in September payroll employment estimates), and up 3.3% from the October 2015 MEI of 183.2.

- Construction and employment remain the driving forces behind index growth through October, along with solid increases in the price of housing sales in the metro area. The spending indicators continue to register some weakness, likewise the travel and tourism indicators and the number of homes sold.

- The metro area economy continues to enjoy steady job growth with an estimated 7,400 net jobs added over the last 12 months across virtually all employment sectors (only manufacturing lost jobs over that period, dropping about 200 jobs from October 2015 to October 2016). The year-over-year employment growth rate of 3% qualifies as fourth best among the state's 36 metro areas.

- Construction activity is stout with real building permit valuations up by nearly 16% in October compared to October of a year ago, which in turn was up by close to 70% over October of the prior year. Permit activity through October is up by a sharp 76% compared to the first ten months of a year ago. It's not a record, but it is the highest since the January-October 2007 total.

- New single-family housing construction is the highest in six years, with the number of new permits issued up by nearly 7% through October, and 4% for the month compared to October of a year ago.

- Existing home sales activity remains in negative year-over-year territory, at least in terms of the number of closed sales. The price of those sales is higher, however, with the October monthly average up by a solid 5.2% compared to October of a year ago, and the average through October up by nearly 5% compared to the first ten months of 2015.

- Real general spending per metro area sales tax receipts has now posted year-over-year declines in nine of the ten months thus far in 2016, registering a nearly 7% decline in October. The year-to-date real spending total is now off by about 3.3% compared to this time last year. Real auto spending was down by over 12% in October, but remains some 5% improved for the year-to-date.