



# COMMERCE NATIONAL BANK

## The Bryan-College Station Economic Index March/1<sup>st</sup> Quarter 2013

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April 29, 2013

The Bryan-College Station metro area economy enjoyed a solid first quarter of growth as measured by the B-CS Economic Index and the various local economic indicators used in its calculation. All but one of those indicators was improved over the quarter compared to the first quarter of 2012, and most are significantly improved compared to year-ago levels. Only the first quarter building permit valuation total was down compared to the first quarter 2012.

**The B-CS Economic Index climbed to 126.2 in March, up from 125.4 in February, and up 4.9% from the March 2012 index of 120.4.** The index improved by some 1.3% over the course of the first quarter 2013, which translates to an annualized growth rate of about 5.1%. The B-CS Economic Index continues to inch ever closer to its historical peak level of 127.4 reached in December 2008, and is now down less than one percent compared to that pinnacle.

The *concurrent* trends in two important sectors of the local economy best represent its current condition, and these are general consumer spending (as represented by inflation-adjusted retail spending), and the metro area's employment situation as represented by payroll employment and the unemployment rate.

- General taxable spending per first quarter sales tax receipts in B-CS was up a solid 5% compared to the first quarter of a year ago. Real spending per the March sales tax total was up by over 8% compared to March of 2012. Both are record totals for those respective time periods, and general spending growth in the metro area continues to reflect ongoing economic recovery and expansion.
- Estimated payroll employment – simply the number of jobs estimated to exist within the geographical confines of the B-CS metro area is up by a solid 3.0% in March compared to March of a year ago, the highest rate of year-over-year job growth since late 2008/early 2009 in advance of the recession of '09. The public (government) sector actually lost an estimated 1,600 jobs over the last 12 months, putting year-over-year private sector employment growth at an estimated 4,500 jobs. Unemployment rate improvement is a long-term proposition, at least in terms of returning to its pre-recession low point, but the B-CS unemployment rate continues to come down steadily at an estimated 5.1% in March, and 5.4% on average for the first quarter. These represent the lowest unemployment rate levels since 2009, and again, the unemployment rate should continue to decline over the balance of 2013.

Auto sales remain sharply on the increase in Bryan-College Station with inflation-adjusted spending on new and used automobiles up by over 8% in the first quarter of this year compared to the first quarter 2012, which in turn was up by 23% compared to the first quarter 2011. In the month of March, real auto spending was up by over 7% compared to March of a year ago.

The travel & tourism indicators are putting up some big numbers in early 2013 with hotel/motel tax receipts up by close to 50% in the first quarter, and airline passenger enplanements up by over 18%.

Construction activity per building permit valuations was up by over 18% in March (year-over-year) but was down for the quarter compared to the first quarter 2012, again, the only first quarter year-over-year negative on the table of economic indicators. Housing construction was up sharply in March, however, with the number of new single-family residence permits up by nearly 50% compared to March of a year ago, and up by some 19% for the quarter. That represents the highest first quarter total for new housing construction permits since 2006.

The residential real estate market is putting up record numbers in B-CS now, with 453 closed housing sales in the first quarter, an increase of nearly 17% compared to the first quarter 2012, and in fact the highest first quarter total on record. March housing sales were up by over 25% compared to March of a year ago. The March monthly average price was up by about 1.3% year-over-year, and the first quarter average price was up by 1.9%. And those numbers were high last year – the March and first quarter averages from 2012 were up by 7.7% and 5.9%, respectively, compared to the prior year.



The B-CS Economic Index  
**ECONOMIC INDICATORS**  
**March 2013**

	<b>BASE YEAR 2000</b>	<b>LAST YEAR 2012</b>	<b>THIS YEAR 2013</b>	<b>% Change 2012 - 2013</b>
Retail Sales (March - \$000's Per Sales Tax Rebate in 2000\$)	\$ 117,062,818	\$ 137,798,235	\$ 149,271,043	8.3%
Retail Sales (1st Quarter)	\$ 384,751,542	\$ 464,195,271	\$ 487,601,764	5.0%
Automobile Sales (Dollars Spent on Auto Purchases - \$000s March in 2000\$)	\$ 21,219,033	\$ 30,445,840	\$ 32,606,181	7.1%
Automobile Sales (1st Qtr)	\$ 57,538,084	\$ 85,714,715	\$ 92,917,649	8.4%
Hotel/Motel Tax Receipts (Year-To-Date)	\$ 416,670	\$ 781,702	\$ 1,160,767	48.5%
Airline Enplanements (March)	8,428	6,010	7,855	30.7%
Airline Enplanements (1st Qtr)	22,049	15,748	18,623	18.3%
Value All Construction (March)	\$ 15,568,414	\$ 20,187,959	\$ 23,923,049	18.5%
Value All Construction (1st Qtr)	\$ 54,155,378	\$ 69,405,887	\$ 62,729,715	-9.6%
Single-Family Housing Permits (March)	87	85	126	48.2%
Single-Family Housing Permits (1st Qtr)	220	205	244	19.0%
Number of Home Sales (March)	108	149	187	25.5%
Number of Home Sales (1st Qtr)	238	388	453	16.8%
Average Home Sale Price (March)	\$ 125,900	\$ 178,818	\$ 181,066	1.3%
Average Home Sale Price (1st Qtr)	\$ 107,900	\$ 172,854	\$ 176,153	1.9%
<b>EMPLOYMENT</b>				
Wage & Salary Employment (March)	83,300	96,500	99,400	3.0%
Wage & Salary Employment (1st Qtr Avg)	81,233	94,867	97,367	2.6%
Unemployment Rate (March)	3.9	5.6	5.1	-8.9%
Unemployment Rate (1st Qtr Avg)	4.1	5.9	5.4	-7.4%
<b>INDEX - March (Base = 100 January 2000)</b>	<b>100.9</b>	<b>120.4</b>	<b>126.2</b>	<b>4.9%</b>



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### The B-CS Economic Index January 2000 - March 2013

