



# COMMERCE NATIONAL BANK

## The Bryan-College Station Economic Index November 2013

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January 6, 2013

**The expansion in the Bryan-College Station general economy continued through November according to the B-CS Economic Index, which increased to 131.2 for the month up from 130.9 in October, and up 5.0% from the November 2012 index of 125.0.** General taxable spending was up significantly in November, along with total construction and home building. The employment situation continues to improve with the steady addition of jobs and decline in the unemployment rate. Inflation-adjusted auto spending was down for the month, however, and the average home sale price was slightly lower compared to the November 2012 average.

The B-CS Economic Index has increased each month thus far in 2013, continuing a general pattern of recovery and expansion that began in earnest in June 2011 some 30 months ago as of November.

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 inflation-adjusted taxable spending per November sales tax receipts in Bryan-College Station was sharply higher in November, up by 12.4% compared to November of a year ago and a record for the month of November by far. For the year-to-date, real spending is up by nearly 6% compared to the January-November 2012 total.
- Payroll employment growth remains very steady, if not overly robust, adding about 2,300 jobs over the last 12 months for a year-over-year growth rate of about 2.3%. The unemployment rate dipped below 5% for the first time since 2009 (and for the first time in November since 2008) to 4.8%, compared to 5.0% in November 2012, and a November peak in the most recent cycle of 6.6% in November 2010 as a result of the recession in 2009.

Growth in auto sales has been impressive over the last four years, but has slowed a bit in the last two months with inflation-adjusted spending on new and used automobiles in November down by nearly 6% compared to November of a year ago. For the year-to-date, however, real auto spending remains over 9% improved compared to the first eleven months of 2012.

Construction activity per building permit valuations in Bryan-College Station was up sharply for the second straight month in November, nearly doubling the November 2012 permit valuation total. Thus far in 2013, the dollar value of construction projects for which permits were issued in the metro area is up by nearly 8% compared to the January-November 2012 total.

Housing construction also remains on the rise with nine more permits issued in November 2013 compared to November 2012, and increase of nearly 30%. For the year-to-date, the number of new single-family residence building permits is now down by a narrow 2.5% compared to the January-November 2012 period, which in turn was up by over 34% compared to the same period of time in 2011. Activity has been particularly strong in recent months; the number of permits issued in B-CS over the last four months is up by 43 permits (over 31%) compared to the August-November total in 2012.

The B-CS residential real estate market continues to improve as well with existing home sales up by 4.4% in November compared to November 2012, which in turn was up by over 28% compared to the November 2011 sales total. For the year-to-date through November the number of home sales is up by nearly 20% compared to the first eleven months of 2012. The average price was down just slightly for the month, but the year-to-date average home sale price remains a solid 5.4% improved over the January-November 2012 average.



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



