



October 12, 2015

The Bryan-College Station Economic Index August 2015

The Bryan-College Station economy remains in growth mode through August with the B-CS Economic Index posting another monthly increase, rising to 148.9 up from 148.6 in July, and up 4.6% from the August 2014 index of 142.3. Improvements in general real spending and the metro area housing market drove the upward move in the index in August while auto sales and construction were lower for the month. The monthly payroll employment estimate was actually slightly negative compared to its year-ago level for the first time in well over three years.

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 employment situation as represented by payroll employment and the unemployment rate.

- General real (inflation-adjusted) taxable spending per August sales tax receipts was up a solid 4.6% compared to August of a year ago, which in turn was up by 8.5% compared to August of the prior year. For the year-to-date, spending is up by 4.5% through August compared to the same period in 2014, which in turn was up by 6.7% compared to the first eight months of the prior year. For the 12 months ending August 2015 real taxable spending is up by a stout 6.2% compared to the preceding 12-month period.
- Year-over-year employment growth rates began to narrow in the last four months of 2014 and that trend continues through August 2015 with the August estimate posting a slight decline compared to its year-ago level for the first time this year (and in fact for the first time since April 2012. This simply means that payroll employment growth has flattened in 2015 compared to generally strong numbers for the last two years (4.2% in 2013 and 2.5% on average in 2014). The unemployment rate continues to register sharp declines through August at 3.6% for the month compared to 4.4% in August of a year ago. And in fact that represents the lowest unemployment rate for the month of August over the entire history of the B-CS Economic Index (which is based at 100.0 in January 2000).

Auto sales were down again for the fourth time in the last five months (and the second straight month) with inflation-adjusted spending on new and used automobiles down by 5.5% in August compared to August of a year ago. The numbers were strong in 2014 – the August real auto spending total was up by 10% compared to August of the prior year. For the first eight months of 2015 real auto spending in the B-CS metro area is up by a slight .3% compared to the January-August 2014 sales total, which in turn was up by close to 7% over the previous year.

Construction activity per building permit totals was also down in August for the fourth time in the last five months, off by 14.5% for the month compared to the August 2014 permit valuation total. For the year-to-date through August construction activity has flattened compared to a very strong total from last year. The total through August has narrowed to 1.8% compared to the year-to-date through August 2014 total, which in turn was up by over 33% compared to the first eight months of 2013.

Single-family housing construction in Bryan-College Station remains generally strong; the 63 permits issued in August 2015 is unchanged from August 2014 – however, the August 2014 total was 50% higher compared to August of the prior year. The year-to-date total remains in record territory through August and is about 15% improved over the January-August 2014 total.

The 341 closed home sales in August is easily a record for the month of August, and is over 14% improved compared to the August 2014 number of housing sales. Home sales for the year-to-date remain in record territory as well with the January-August total up by over 8% compared to the first eight months of a year ago. The price of those sales remains fairly sharply on the rise as well with the August monthly average up by 5.5% compared to August of a year ago. The average for the year-to-date is a stout 6.6% higher than the total through August of 2014, which in turn was up by 5.4% compared to the prior year.

Adjusted for inflation, the total dollar volume of residential real estate activity was up by a whopping 18% in August, and over 12% for the year-to-date.

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ECONOMIC INDICATORS	BASE YEAR	LAST YEAR	THIS YEAR	% Change
August 2015	2000	2014	2015	2014 - 2015
Retail Sales (Per Sales Tax Rebates - August, Adjusted for Inflation)	\$ 131,371,762	\$ 180,318,376	\$ 188,698,761	4.6%
Retail Sales (Year-To-Date)	\$ 981,951,803	\$ 1,357,810,801	\$ 1,419,462,882	4.5%
Automobile Sales (Dollars Spent on Auto Purchases - August, Adjusted for Inflation)	\$ 22,006,107	\$ 37,527,773	\$ 35,462,374	-5.5%
Automobile Sales (YTD)	\$ 155,816,407	\$ 276,860,919	\$ 277,746,496	0.3%
Hotel/Motel Tax Receipts (YTD)	\$ 1,239,938	\$ 4,005,389	\$ 4,102,898	2.4%
Value All Construction (August)	\$ 19,884,789	\$ 23,982,273	\$ 20,513,132	-14.5%
Value All Construction (YTD)	\$ 164,037,604	\$ 317,824,719	\$ 323,587,251	1.8%
Single-Family Housing Permits (August)	43	63	63	0.0%
Single-Family Housing Permits (YTD)	508	669	767	14.6%
Number of Home Sales (August)	176	298	341	14.4%
Number of Home Sales (YTD)	1,032	2,332	2,526	8.3%
Average Home Sale Price (August)	\$ 116,600	\$ 203,486	\$ 214,579	5.5%
Average Home Sale Price (YTD)	\$ 114,013	\$ 200,426	\$ 213,648	6.6%
Dollar Volume of Residential Home Sales Activity (August - Adjusted for Inflation)	\$ 19,869,791	\$ 42,567,235	\$ 50,180,817	17.9%
Dollar Volume of Residential Home Sales Activity (YTD)	\$ 116,657,535	\$ 330,209,262	\$ 371,917,822	12.6%
EMPLOYMENT				
Wage & Salary Employment (August)	80,200	102,000	101,700	-0.3%
Wage & Salary Employment (YTD Avg)	81,425	103,550	104,590	1.0%
Unemployment Rate (August)	3.9	4.4	3.6	-18.2%
Unemployment Rate (YTD Avg)	4.0	4.3	3.5	-18.3%
BRYAN-COLLEGE STATION ECONOMIC INDEX - August	102.3	142.3	148.9	4.6%
(Base = 100.0 January 1996)				

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2015

