



December 4, 2015

## The Bryan-College Station Economic Index October 2015

**The Bryan-College Station Economic Index increased for the sixth straight month (and for the ninth time of the ten months thus far in 2015) in October rising to 149.8 up from 149.2 in September (revised upward slightly from the original 149.1 due to an upward revision in the September employment estimate), and up 4.0% from the October 2014 index of 144.1.**

A record October building permit number helped to push the index higher, along with strong auto sales, gains in single-family housing construction, and continued increases in hotel/motel activity. General spending was down for the month, and housing sales were lower compared to the record total from October of a year ago. The pace of employment growth continues to moderate, and the unemployment rate appears to be leveling off after sharp declines over the last five years, 2014 in particular.

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 October sales tax receipts in Bryan-College Station was down significantly, posting a 7.1% decline compared to October of a year ago. That marks only the second year-over-year decline in real spending in over three years, and the first was a slight .8% decline in June of this year. For the year-to-date general real spending remains a respectable 3.3% improved over the January-October 2014 total, which in turn was up by nearly 7% compared to the first ten months of the previous year. For the 12 months ending October 2015 general real spending was up a solid 4.8% compared to the total for the prior 12-month period.
- The pace of year-over-year employment growth ticked upward a bit in October but remains below 1% at .9%, an increase of about 1,000 jobs over the last 12 months. That's a net increase – the employment categories of Mining, Logging and Construction, Professional and Business Services, and Education and Health Services each lost jobs over the last year, while Manufacturing, Trade/Transportation/Utilities/, Information, Leisure and Hospitality, and Government each added jobs over the last 12 months. The unemployment rate posted a slight decline compared to a year ago at 3.5% compared to 3.6% in October 2014. That is the lowest unemployment rate for the month of October since the 3.4% recorded in October 2007, and lowest post-recession unemployment rate for October.

Auto sales activity increased sharply in October with inflation-adjusted spending on new and used automobiles up by about 24% compared to October of a year ago, easily a record for the month of October. For the year-to-date, real auto spending is up by 3.3% compared to a year ago, which in turn was up by 8% compared to the first ten months of the prior year.

Building permit activity in October was up dramatically compared to a generally low number in October of a year ago. The \$53.1 million in permit valuations was the highest ever for the month of October, and was up by 155% compared to October of a year ago (which in turn was down by about 45% compared to

October of the previous year). The year as a whole continues to be a strong year for construction in the B-CS metro area with the valuation of all building permits issued up by some 12% compared to the year-to-date through October 2014.

Single-family housing construction continues to improve with the number of new single-family residence building permits up by 13% in October, and up by 20% for the year-to-date through October. This is the second straight year of double-digit percentage growth in new housing construction, and in fact the 950 permits issued through October is the highest on record for the first ten months of the year.

Existing home sales were down in October, but only compared to a record total in October 2014 in which 218 closed sales were recorded, an increase of 33% over October of the prior year. The total for the year-to-date 2015 remains easily in record territory, however, and is up by 8% compared to the first ten months of 2014. The monthly average sale price retreated a bit in October, down by 3% compared to October of a year ago; the average for the year-to-date remains stoutly improved over year-ago levels with the average sale price for January-October up by 6% compared to the same period in 2014.

The total dollar volume of residential real estate sales activity was obviously lower for the month (as sales and prices were both lower), but the total for the year-to-date, adjusted for inflation, remains at record levels and is up by nearly 12% compared to the total through October of a year ago, which in turn was up by over 14% compared to the first ten months of the prior year.

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<b>ECONOMIC INDICATORS</b>		<b>BASE YEAR</b>	<b>LAST YEAR</b>	<b>THIS YEAR</b>	<b>% Change</b>
October 2015		<b>2000</b>	<b>2014</b>	<b>2015</b>	<b>2014 - 2015</b>
Retail Sales (October - \$000's Per Sales Tax Rebate in 2000\$)	\$	133,186,337	\$ 181,456,783	\$ 168,655,104	-7.1%
Retail Sales (Year-to-date)	\$	1,222,344,342	\$ 1,696,948,537	\$ 1,752,182,240	3.3%
Automobile Sales (Dollars Spent on Auto Purchases - \$000s October in 2000\$)	\$	18,234,528	\$ 32,559,365	\$ 40,248,479	23.6%
Automobile Sales (YTD)	\$	193,935,249	\$ 346,021,851	\$ 357,296,756	3.3%
Hotel/Motel Tax Receipts (YTD)	\$	1,629,181	\$ 4,961,951	\$ 5,287,839	6.6%
Value All Construction (October)	\$	8,406,440	\$ 20,875,860	\$ 53,130,350	154.5%
Value All Construction (YTD)	\$	179,905,579	\$ 360,617,697	\$ 403,355,102	11.9%
Single-Family Housing Permits (October)		55	56	63	12.5%
Single-Family Housing Permits (YTD)		608	792	950	19.9%
Number of Home Sales (October)		64	218	200	-8.3%
Number of Home Sales (YTD)		1,189	2,754	2,973	8.0%
Average Home Sale Price (October)	\$	130,900	\$ 213,233	\$ 206,770	-3.0%
Average Home Sale Price (YTD)	\$	117,340	\$ 201,997	\$ 214,092	6.0%
<b>EMPLOYMENT</b>					
Wage & Salary Employment (October)		85,100	107,400	108,400	0.9%
Wage & Salary Employment (YTD Avg)		81,980	104,180	104,895	0.7%
Unemployment Rate (October)		3.4	3.6	3.5	-2.8%
Unemployment Rate (YTD Avg)		3.9	4.2	3.5	-16.2%
<b>INDEX - October (Base = 100 January 2000)</b>		<b>103.3</b>	<b>144.1</b>	<b>149.8</b>	<b>4.0%</b>

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## The B-CS Economic Index January 2000 - October 2015

