



June 7, 2016

The Bryan-College Station Economic Index April 2016

The Bryan-College Station Economic Index posted only a slight increase (a tenth of a point) in April but it was enough to push the index to a new record at 151.8, up from 151.7 in March and up a stout 3.9% from the April 2015 index of 146.1. Through April the B-CS Economic Index increased at a 3.2% annualized rate of growth thus far in 2016, compared to 2.8% in the first quarter of the year.

Strong employment growth – among the strongest in the state – is pushing the index higher in early 2016 along with construction and homebuilding. The spending indicators remain generally sluggish, and hotel/motel activity is down slightly compared to year-ago levels as well.

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 April sales tax receipts in the B-CS metro area was up by a slight 1.7% compared to April of a year ago, which in turn was up by 2.7% compared to April of the prior year. For the year-to-date, real general spending is virtually flat to just ever so slightly below the total for the first four months of 2015; however, the total through April of last year was up by a solid 7.1% compared to the previous year. For the 12 months ending April 2016 spending was up by only .3% compared to the prior 12-month period, which in turn was up by 7.5% compared to the preceding 12 months. So, on balance, spending remains at high and near-record levels, but the growth rate has certainly flattened in early 2016.
- The 3.8% rate of year-over-year employment growth in April is the third-highest among Texas metro areas behind only Dallas-Plano-Irving (4.7%) and Austin-Round Rock (4.0%). Through the first four months of the year employment growth is actually averaging over 4%. The B-CS metro area also boasts the state's fourth-lowest unemployment rate at 3.2% for the month of April. An estimated 4,200 jobs were added to the metro area economy over the past 12 months with no employment category losing jobs over that period of time.

Auto sales activity is generally flat as well with inflation-adjusted spending on new and used motor vehicles up by less than a percent in April as well as for the year-to-date. Again, the actual level of activity remains high, but the growth rate has slowed to a crawl (and began to slow about a year ago), at least for the time being. Total real auto sales for the 12 months ending April 2016 was up by 1.4% compared to the 12 months ending April 2015, which in turn was up by over 10% compared to the prior 12 months.

Construction activity per building permit valuations posted its first monthly decline of 2016 (in fact the first since August of last year); however, in the first quarter of the year building permit activity was well more than double the first quarter 2015 and remains deep in record territory and is over 75% improved for the year-to-date through April compared to the first four months of a year ago.

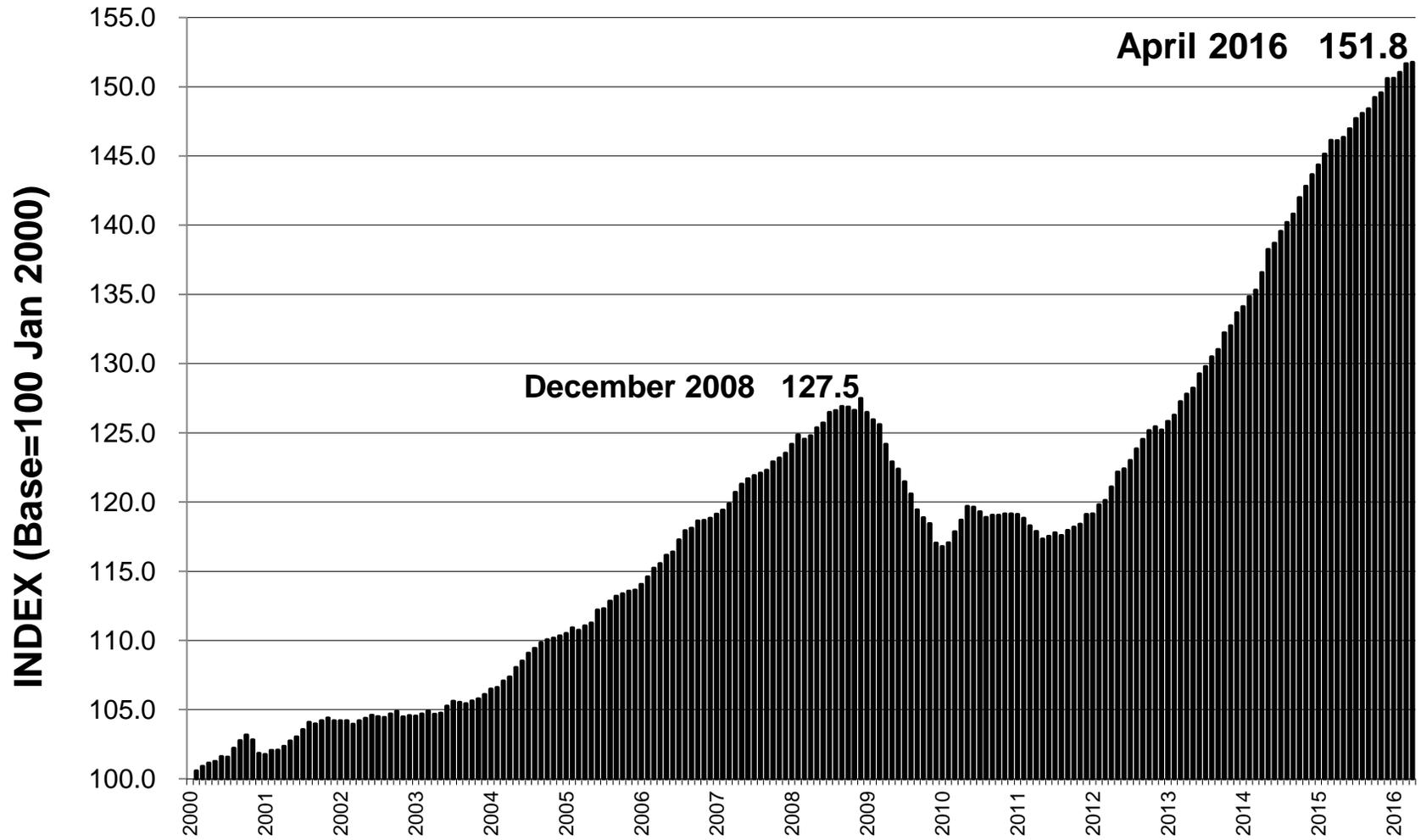
Homebuilding is at record levels through April as well – the 508 single-family residence permits issued in the first four months of the year is the highest January-April total on record and is up by about 7%

compared to a year ago. The April monthly permit total of 97 is up by 20% compared to April of a year ago.

Growth in home sales activity has slowed as well, on the heels of four straight years of solid growth (including three straight years of sharp growth 2012-2014). Some 17 fewer transactions were closed through April 2016 compared to the first four months of a year ago, a decline of a modest 1.8%. The April monthly average sale price was down by 2.4% compared to April of a year ago, which in turn was up by 12% compared to April of the previous year. The average sale price for the year-to-date through April is up by 5% compared to the January-April 2015 average, which in turn was up by 11% over the prior year.

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ECONOMIC INDICATORS *	BASE YEAR	LAST YEAR	THIS YEAR	% Change
April 2016	2000	2015	2016	2015 - 2016
Retail Sales (April)	\$ 146,770,472	\$ 211,545,276	\$ 215,140,478	1.7%
Retail Sales (Year-to-date)	\$ 670,334,188	\$ 968,148,894	\$ 966,482,048	-0.2%
Automobile Sales (Dollars Spent on Auto Purchases - April)	\$ 18,976,571	\$ 35,889,849	\$ 36,079,990	0.5%
Automobile Sales (YTD)	\$ 78,158,245	\$ 141,335,696	\$ 142,296,574	0.7%
Hotel/Motel Spending (YTD)	\$ 10,324,629	\$ 26,653,543	\$ 25,717,874	-3.5%
Value All Construction (April)	\$ 18,944,482	\$ 38,635,702	\$ 27,134,323	-29.8%
Value All Construction (YTD)	\$ 108,347,982	\$ 171,259,850	\$ 302,111,507	76.4%
Single-Family Housing Permits (April)	69	81	97	19.8%
Single-Family Housing Permits (YTD)	289	474	508	7.2%
Number of Home Sales (April)	107	294	295	0.3%
Number of Home Sales (YTD)	345	960	943	-1.8%
Average Home Sale Price (April)	\$ 117,336	\$ 222,988	\$ 217,614	-2.4%
Average Home Sale Price (YTD)	\$ 113,246	\$ 210,556	\$ 220,952	4.9%
Dollar Volume of Residential Home Sales Activity (April)	\$ 18,112,099	\$ 66,793,517	\$ 64,196,038	-3.9%
Dollar Volume of Residential Home Sales Activity (YTD)	\$ 56,477,776	\$ 206,367,649	\$ 208,697,446	1.1%
EMPLOYMENT				
Wage & Salary Employment (April)	83,900	109,500	113,700	3.8%
Wage & Salary Employment (YTD Avg)	82,150	107,575	112,125	4.2%
Unemployment Rate (April)	3.4	3.1	3.2	3.2%
Unemployment Rate (YTD Avg)	3.8	3.4	3.4	-1.5%
BRYAN-COLLEGE STATION ECONOMIC INDEX - APRIL	101.2	146.1	151.8	3.9%
(Base=100.0 January 2000)				

* With the exception of the average home sale price, all economic indicators expressed in dollar form above are adjusted for inflation by restating prior periods in current dollars