



COMMERCE NATIONAL BANK

The Bryan-College Station Economic Index May 2017

The Bryan-College Station Economic Index posted another strong increase in May, rising to 153.2 for the month up from 152.6 in April, and up 2.0% from the May 2016 index of 150.1.

The May monthly increase pushes the index yet further into record territory and extends the pattern of post-recession growth in the Bryan-College Station general economy to six full years – 72 months of growth since the index finally began to improve in earnest following the deep recession of 2009. Over that six-year period of time the B-CS Economic Index has increased by over 30%, averaging over five percent per year, and 16,000 jobs have been added to the B-CS metro area economy.

A second straight month of triple-digit percentage year-over-year improvement in construction helped to push the index upward in May, along with sharply higher single-family housing construction and record home sales activity. The spending indicators were solid in May as well, and the general employment situation continues to improve with job growth and an historically low unemployment rate.

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 May B-CS sales tax receipts was up by 2.4% compared to May of a year ago. The total for the year-to-date is now a solid 3.3% improved over the first five months of 2016. Over the last six years, general real spending within the B-CS metro area has grown by over 25%.
- The May year-over-year employment growth rate of 2.8% is in the top tier of Texas metro areas; Dallas/Plano/Irving tops the chart at 3.6%, followed by Austin/Round Rock, El Paso, Killeen/Temple, and Bryan/College Station each at 2.8%. In B-CS, that reflects the addition of an estimated 3,200 jobs over the last 12 months, 1,200 of which were added in the “government” employment sector (state, federal, and local, and again, employment at Texas A&M University is categorized as “state government”). The May unemployment rate of 3.2% has not been that low since May 2007, and has not been lower than that over the entire history of the B-CS Economic Index. The monthly unemployment rate also moved higher than its year-ago level in May of a year ago, and did not fall back below its year-ago level until May of this year (3.2% in May 2017, compared to 3.3% in May 2016).

Auto sales posted a year-over-year increase for only the second month of the five thus far in 2017, with inflation-adjusted spending on new and used motor vehicles up by over 7% in May compared to May of a year ago. The year-to-date total remains slightly negative, however, down by 1.2% year-over-year.

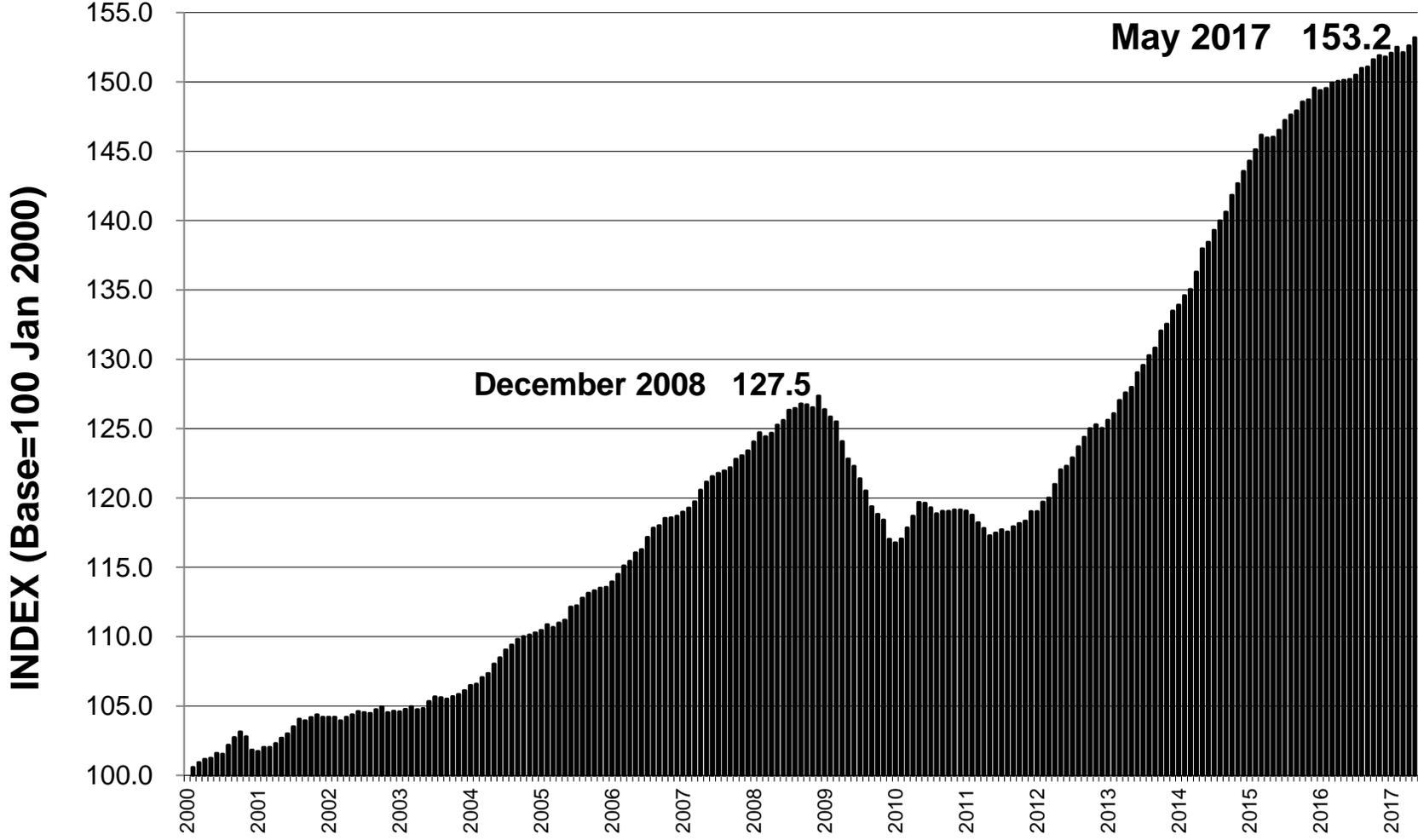
The May monthly real (inflation-adjusted) building permit valuation total was the third-highest May monthly total on record, and was well more than double the May 2016 total, up by close to 130% year-over-year. The year-to-date total remains in negative year-over-year territory but only compared to very high (and record) numbers from a year ago – so building activity in the metro area remains at a very high level.

The 107 single-family residence construction permits issued in May, up by 60% compared to May 2016, represents the second-highest May monthly total on record behind only the 116 permits issued in May 2003. That pulled to year-to-date total to just about even with the first five months of a year ago, just three permits shy of the record January-May total of 575 established in 2016.

The housing sales numbers are all records – sales for the month and year-to-date, average prices, and the total inflation-adjusted dollar volume of sales. The 393 closed sales reported in May is up by 16% compared to May of a year ago, and the total number of sales for the year-to-date represents an increase of 12.7% year-over-year. The May monthly average price was up by a stout 9.6% year-over-year, and the average through May is up by nearly 10% compared to the average for the first five months of 2016. The inflation-adjusted total dollar volume of residential real estate sales in B-CS is up by a sharp 24% for the month of May, and is up by 21% for the year-to-date.

The Bryan-College Station Economy

The B-CS Economic Index January 2000 - May 2017



The Bryan-College Station Economy

The B-CS Economic Index

ECONOMIC INDICATORS *	BASE YEAR	LAST YEAR	THIS YEAR	% Change
May 2017	2000	2016	2017	2016 - 2017
Retail Sales (May)	\$ 195,667,464	\$ 267,880,159	\$ 274,380,473	2.4%
Retail Sales (Year-to-date)	\$ 883,404,617	\$ 1,259,453,679	\$ 1,300,950,457	3.3%
Automobile Sales (Dollars Spent on Auto Purchases - May)	\$ 20,901,787	\$ 31,272,376	\$ 33,517,334	7.2%
Automobile Sales (YTD)	\$ 98,542,988	\$ 172,627,609	\$ 170,492,007	-1.2%
Hotel/Motel Spending (YTD)	\$ 14,500,784	\$ 34,497,895	\$ 33,753,256	-2.2%
Value All Construction (May)	\$ 36,726,453	\$ 27,001,809	\$ 61,783,437	128.8%
Value All Construction (YTD)	\$ 146,261,155	\$ 332,443,209	\$ 317,950,090	-4.4%
Single-Family Housing Permits (May)	75	67	107	59.7%
Single-Family Housing Permits (YTD)	364	575	572	-0.5%
Number of Home Sales (May)	165	339	393	15.9%
Number of Home Sales (YTD)	510	1,287	1,450	12.7%
Average Home Sale Price (May)	\$ 116,333	\$ 224,717	\$ 246,234	9.6%
Average Home Sale Price (YTD)	\$ 114,245	\$ 221,800	\$ 243,473	9.8%
Dollar Volume of Residential Home Sales Activity (May)	\$ 28,320,163	\$ 77,942,746	\$ 96,770,066	24.2%
Dollar Volume of Residential Home Sales Activity (YTD)	\$ 86,193,187	\$ 292,741,144	\$ 353,993,233	20.9%
EMPLOYMENT				
Wage & Salary Employment (May)	87,900	115,200	118,400	2.8%
Wage & Salary Employment (YTD Avg)	86,660	114,060	117,220	2.8%
Unemployment Rate (May)	3.7	3.3	3.2	-3.0%
Unemployment Rate (YTD Avg)	3.8	3.4	3.5	4.2%
BRYAN-COLLEGE STATION ECONOMIC INDEX - MAY	101.2	150.1	153.2	2.0%
(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