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The Bryan-College Station Economic Index October 2017

On the heels of two straight months of decline, the Bryan-College Station Economic Index moved upward to a new record in October, improving to 154.6 for the month up from 154.1 in September (revised slightly downward from the original September index of 154.2 due to a downward revision in the September employment estimates), and up 1.9% from the October 2016 B-CS Economic Index of 151.6. The previous index record was 154.3 achieved in July of this year.

Strong auto sales helped to push the index upward in October along with higher real estate numbers, a very unemployment rate, and state-leading employment growth. General spending was down slightly for the month but remains higher for the year-to-date, and the construction numbers were sharply lower in October.

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.

- Real (inflation-adjusted) spending per October sales tax receipts in Bryan-College Station was down by about a percent compared to October of a year ago, which in turn was up by nearly 10% compared to October of a year ago. And in fact the October 2017 total is second only to that October monthly record from 2016. Further, general taxable spending for the year-to-date remains some 3% improved over the first ten months of a year ago, and is at a record level for the January-October period.
- The Bryan-College Station metro area retained the top spot among Texas' 26 metro areas in terms of the employment growth rate at 3.9% year-over-year, followed by Corpus Christi at 3.4%, the only two metros to boast employment growth rates of greater than 3% in October. That reflects the addition of an estimated 4,600 jobs over the last 12 months, the bulk of which were added to the 'government' sector (1,500 jobs) and leisure/hospitality (1,000 jobs). The B-CS metro area unemployment rate dipped to 2.5%, the lowest on record for the month of October and down from 3.5% in October of a year ago.

After three straight months of decline auto sales rebounded in October with inflation-adjusted spending on new and used motor vehicles up by over 10% compared to October of a year ago. For the year-to-date, however, real auto sales activity remains down by close to 3% compared to the first ten months of a year ago.

The construction numbers continue to suffer from the huge totals recorded in 2016; the permit totals are actually quite respectable in 2017 but are nowhere near the record numbers put up last year. The October monthly real building permit valuation total is off by 73% compared to October of a year ago, which in turn was easily the October record, up by 128% compared to October of the prior year. The year-to-date total is down by 22%, again compared to last year's record permit numbers.

The same is true of new housing construction permits – decent enough but down compared to a huge number from a year ago. The 68 single-family residence construction permits issued in October was down by more than 50% compared to the 150 permits issued in October 2016, a record for the month of October and one of the highest monthly totals for any month. The year-to-date total is now down by over 13% compared to the record first ten months of 2016.

Existing home sales remain in positive year-over-year territory through October with the number of closed sales up by 5% compared to the January-October total from a year ago. The number of sales in the month of October was up by about 4% compared to October of last year. The average price of those sales was up by a solid 2.9% in October, and is up by a sizable 7.6% for the year-to-date.

The number of closed sales is not quite at record levels through October, but the real (inflation-adjusted) total dollar volume of home sales is (thanks to higher prices), posting a 10.3% increase compared to the January-October 2016 total. The October total represents a record as well (for the month of October), and is up by 4.4% compared to October of a year ago.

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The B-CS Economic Index

ECONOMIC INDICATORS *	BASE YEAR	LAST YEAR	THIS YEAR	% Change
October 2017	2000	2016	2017	2016 - 2017
Retail Sales (Per Sales Tax Receipts - October)	\$ 187,176,466	\$ 259,614,677	\$ 256,698,145	-1.1%
Retail Sales (Year-to-date)	\$ 1,717,849,598	\$ 2,471,641,455	\$ 2,545,274,545	3.0%
Automobile Sales (Dollars Spent on Auto Purchases - October)	\$ 18,531,871	\$ 34,397,886	\$ 37,966,442	10.4%
Automobile Sales (YTD)	\$ 197,113,768	\$ 356,705,542	\$ 346,697,144	-2.8%
Hotel/Motel Tax Receipts (YTD)	\$ 30,915,695	\$ 73,688,084	\$ 76,358,363	3.6%
Value All Construction (October)	\$ 13,990,505	\$ 122,508,965	\$ 32,874,819	-73.2%
Value All Construction (YTD)	\$ 302,113,158	\$ 717,789,676	\$ 559,421,606	-22.1%
Single-Family Housing Permits (October)	55	150	68	-54.7%
Single-Family Housing Permits (YTD)	608	1,022	884	-13.5%
Number of Home Sales (October)	64	193	201	4.1%
Number of Home Sales (YTD)	1,189	2,797	2,936	5.0%
Average Home Sale Price (October)	\$ 130,900	\$ 245,810	\$ 252,965	2.9%
Average Home Sale Price (YTD)	\$ 117,340	\$ 231,703	\$ 249,415	7.6%
Dollar Volume of Residential Home Sales Activity (October)	\$ 12,344,283	\$ 48,692,319	\$ 50,845,961	4.4%
Dollar Volume of Residential Home Sales Activity (YTD)	\$ 208,710,717	\$ 669,703,652	\$ 738,605,547	10.3%
EMPLOYMENT				
Wage & Salary Employment (October)	89,100	117,200	121,800	3.9%
Wage & Salary Employment (YTD Avg)	85,500	113,080	116,770	3.3%
Unemployment Rate (October)	3.4	3.5	2.5	-28.6%
Unemployment Rate (YTD Avg)	3.9	3.7	3.4	-7.4%
BRYAN-COLLEGE STATION ECONOMIC INDEX - OCTOBER	103.1	151.6	154.2	1.7%
(Base=100.0 January 2000)				

* With the exception of the average home sale price, all economic indicators expressed in dollar form above

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