



The Bryan-College Station Economic Index July-August 2018

The Bryan-College Station economy is growing at an impressive clip through August with the fifth straight monthly increase in the Bryan-College Station Economic Index. The index improved to 158.0 in August up from 157.5 in July (and 156.6 in June), and up 2.9% from the August 2017 B-CS Economic Index of 153.6.

July monthly general spending was lower – but only compared to a huge number in July of a year ago, and the August spending total was impressively higher compared to year-ago levels. Auto spending continued to increase sharply through July and August, and hotel/motel activity remains improved by double-digit percentage points compared to year-ago levels. Construction in the metro area is still on the decline compared to 2017 permit data, but record numbers of new housing construction permits were issued in July and August. Existing home sales activity is generally flat with slightly lower sales through August, though the average price of those sales is considerably higher compared to year-ago levels.

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) spending per July sales tax receipts in Bryan and College Station was down by 2.6% compared to July of a year ago; however, the July 2017 real spending total was up by 18% compared to July of the prior year, so in that context the July 2018 spending number looks perfectly respectable. Real spending per the August sales tax total was up by a stout 6.5% compared to August of a year ago, pulling the year-to-date spending total to 1.3% higher compared to the first eight months of 2017.
- Payroll employment increased at an impressive 4.0% year-over-year rate in July, and dipped slightly to 3.8% in August, which still qualifies as second-best among Texas metro areas. Employment growth continues to average well over 4% for the year-to-date. An estimated 4,200 jobs were added to the B-CS metro area economy over the 12 months ending August 2018. The unemployment rate continues to fall as well, dipping to 3.3% in August compared to 3.6% in August 2017. Even at that the B-CS unemployment rate is only the seventh-lowest among Texas metro areas in August.

Auto spending in Bryan-College Station has put up double-digit percentage increases in seven of the eight months thus far in 2018, including the last five months straight. Inflation-adjusted spending on new and used motor vehicles in July was up by 24% compared to July of a year ago, and the August real auto spending total was up by over 21% compared to August 2017. For the year-to-date inflation-adjusted auto sales are up by nearly 16% compared to the January-August 2017 total.

Conversely, building permit activity is down by 36% through August, posting year-over-year declines of over 40% for five of the eight months so far in 2018 including August in which real building permit valuations were off by over 43% compared to August of a year ago. Again, however, construction activity peaked in 2016 at extraordinary levels (after setting the previous record in 2015), crushing all prior records and has been falling relative to those lofty totals in the ensuing two years.

Housing construction increased sharply in July and August, and in fact the monthly totals were the highest ever for July and August over the entire history of the B-CS Economic Index analysis. The two cities issued 94 new single-family residence construction permits in July, a 45% increase over July of a year ago, and 133 permits were issued in August, an increase of a whopping 177% year-over-year. The strong July and August permit totals helped to narrow the gap for the year-to-date with the number of permits off by 2.8% (21 fewer permits) compared to the total through August 2017.

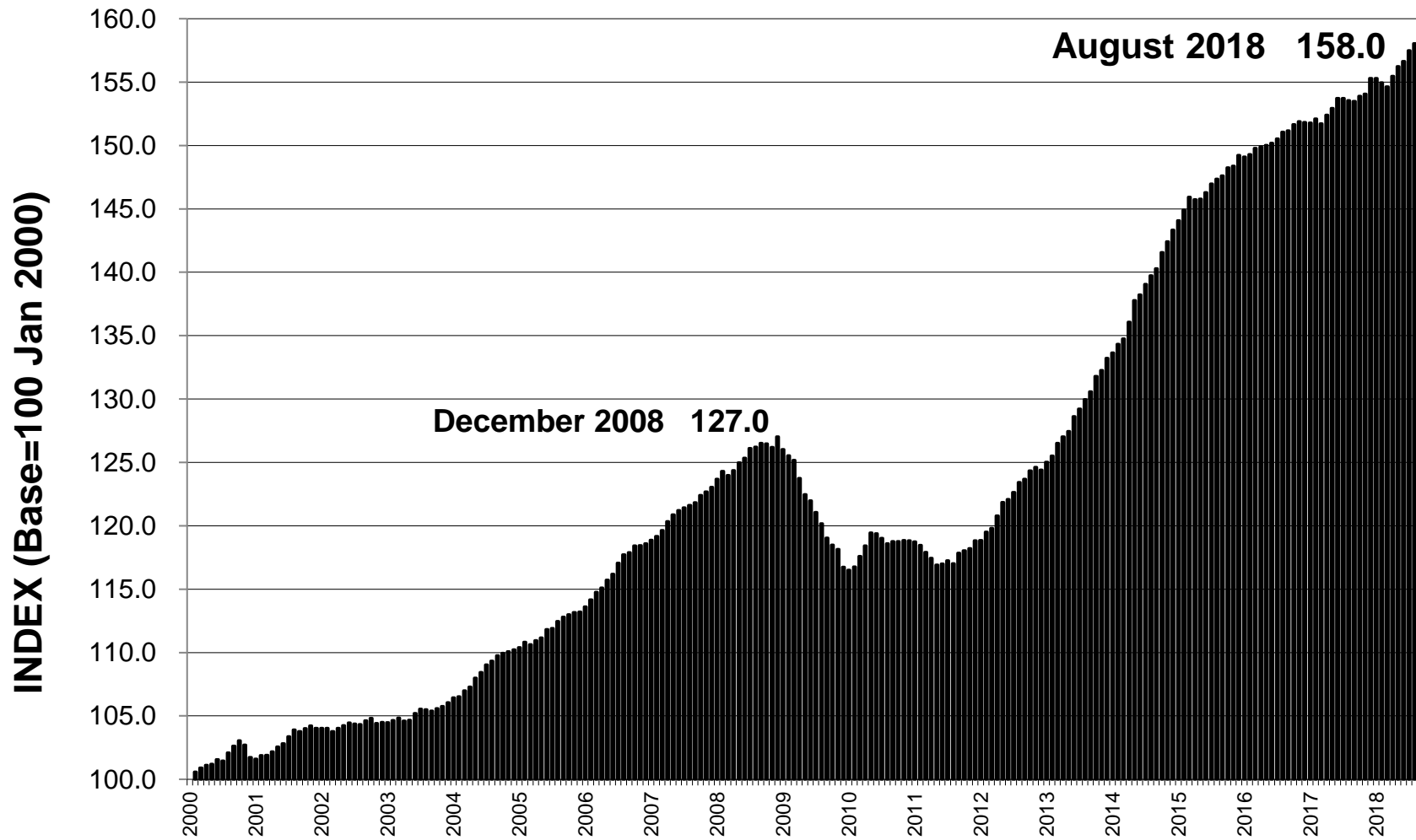
Existing home sales remain generally flat through August, at least in terms of the number of closed sales, with a 4.5% increase in July and a 5% decline in August compared to year-ago levels. The number of sales through the first eight months of the year is down just slightly compared to the total through August of a year ago. The average price of those sales is up sharply, however, posting a 5.9% increase in July, and a 6.1% increase in August compared to August of a year ago, which in turn was up by over 13% compared to August of the previous year.

The higher prices even at slightly lower sales numbers kept the real (inflation-adjusted) total dollar value of residential real estate sales at record levels thus far in 2018, even though the margin of increase is slight at about 1.8% compared to the total through August 2017.

The Bryan-College Station Economic Index has clearly gained considerable momentum in recent months, pointing to a hastened pace of economic expansion moving through the third quarter 2018. The 2.9% rate of year-over-year growth in August is the highest since May 2016 and has been steadily improving all year long.

The Bryan-College Station Economy

The B-CS Economic Index January 2000 - August 2018



ECONOMIC INDICATORS *	BASE YEAR	LAST YEAR	THIS YEAR	% Change
July 2018	2000	2017	2018	2017 - 2018
Retail Sales (per sales tax receipts - July)	\$ 160,949,422	\$ 262,648,635	\$ 255,779,300	-2.6%
Retail Sales (Year-to-date)	\$ 1,214,287,084	\$ 1,827,570,688	\$ 1,837,059,628	0.5%
Automobile Sales (Dollars Spent on Auto Purchases - July)	\$ 18,822,052	\$ 33,461,482	\$ 41,490,083	24.0%
Automobile Sales (YTD)	\$ 135,021,620	\$ 238,116,729	\$ 274,156,721	15.1%
Hotel/Motel Tax Receipts (YTD)	\$ 20,370,983	\$ 51,028,458	\$ 58,220,136	14.1%
Value All Construction (July)	\$ 72,821,846	\$ 46,679,249	\$ 43,831,590	-6.1%
Value All Construction (YTD)	\$ 253,816,738	\$ 426,551,917	\$ 278,059,131	-34.8%
Single-Family Housing Permits (July)	50	65	94	44.6%
Single-Family Housing Permits (YTD)	465	694	588	-15.3%
Number of Home Sales (July)	160	353	373	5.7%
Number of Home Sales (YTD)	856	2,187	2,180	-0.3%
Average Home Sale Price (July)	\$ 129,250	\$ 249,700	\$ 262,044	4.9%
Average Home Sale Price (YTD)	\$ 115,905	\$ 243,244	\$ 256,854	5.6%
Dollar Volume of Residential Home Sales Activity (July)	\$ 32,776,167	\$ 90,568,411	\$ 97,742,567	7.9%
Dollar Volume of Residential Home Sales Activity (YTD)	\$ 159,860,921	\$ 549,714,002	\$ 563,007,721	2.4%
EMPLOYMENT				
Wage & Salary Employment (July)	81,900	111,800	116,500	4.2%
Wage & Salary Employment (YTD Avg)	85,200	114,770	119,955	4.5%
Unemployment Rate (July)	4.3	3.7	3.3	-10.8%
Unemployment Rate (YTD Avg)	4.0	3.4	3.1	-11.2%
BRYAN-COLLEGE STATION ECONOMIC INDEX - JULY	101.4	153.7	157.5	2.5%
(Base=100.0 January 2000)				

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

The Bryan-College Station Economy

The B-CS Economic Index

ECONOMIC INDICATORS *	BASE YEAR	LAST YEAR	THIS YEAR	% Change
August 2018	2000	2017	2018	2017 - 2018
Retail Sales (per sales tax receipts - August)	\$ 187,939,122	\$ 266,423,701	\$ 283,802,265	6.5%
Retail Sales (Year-to-date)	\$ 1,404,770,381	\$ 2,097,823,516	\$ 2,124,710,900	1.3%
Automobile Sales (Dollars Spent on Auto Purchases - August)	\$ 22,214,318	\$ 34,115,381	\$ 41,428,508	21.4%
Automobile Sales (YTD)	\$ 157,290,670	\$ 272,328,632	\$ 315,696,360	15.9%
Hotel/Motel Spending (YTD)	\$ 23,896,480	\$ 58,979,336	\$ 67,400,698	14.3%
Value All Construction (August)	\$ 34,967,100	\$ 99,094,476	\$ 56,058,351	-43.4%
Value All Construction (YTD)	\$ 290,270,505	\$ 528,144,812	\$ 335,758,133	-36.4%
Single-Family Housing Permits (August)	43	48	133	177.1%
Single-Family Housing Permits (YTD)	508	742	721	-2.8%
Number of Home Sales (August)	176	307	292	-4.9%
Number of Home Sales (YTD)	1,032	2,494	2,467	-1.1%
Average Home Sale Price (August)	\$ 116,600	\$ 260,009	\$ 275,991	6.1%
Average Home Sale Price (YTD)	\$ 114,013	\$ 245,308	\$ 259,452	5.8%
Dollar Volume of Residential Home Sales Activity (August)	\$ 33,501,955	\$ 81,986,469	\$ 80,589,452	-1.7%
Dollar Volume of Residential Home Sales Activity (YTD)	\$ 193,661,657	\$ 632,727,886	\$ 644,185,841	1.8%
EMPLOYMENT				
Wage & Salary Employment (August)	83,100	110,900	115,100	3.8%
Wage & Salary Employment (YTD Avg)	84,940	114,290	119,325	4.4%
Unemployment Rate (August)	3.9	3.6	3.3	-8.3%
Unemployment Rate (YTD Avg)	4.0	3.5	3.1	-10.8%
BRYAN-COLLEGE STATION ECONOMIC INDEX - AUGUST	102.1	153.6	158.0	2.9%
(Base=100.0 January 2000)				

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