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The Bryan-College Station Economic Index March/April 2018

Some additional employment data revisions were made to the Bryan-College Station Economic Index along with a couple of minor technical revisions and these provide the benchmarks for the index through the next round of employment data revisions in early 2019. The B-CS Economic Index declined slightly in March to 154.6 for the month down from a revised 154.9 in February but up 1.9% from the March 2017 index of 151.7. **The Bryan College Station Economic Index then surged upward by more than a full point in April to a new record 155.5, an increase of 2.0% from the April 2017 index of 152.4.**

Employment growth (and a record low unemployment rate) continues to push the index upward along with real auto spending and home sales activity. General spending remains in the doldrums and construction is down sharply compared to year-ago levels, both in terms of total construction and single-family housing construction.

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 March sales tax receipts in Bryan-College Station was down by a sharp 8% compared to March of a year ago; however, the March 2017 real spending total was up by 12% so the March 2018 monthly total compares to a big number from last year. The first quarter real spending total was down by 1.8% compared to the first quarter 2017, which in turn was up by a solid 4.3% compared to the first quarter of the prior year. Through April, general real spending is down by 1.9% compared to the first four months of a year ago.
- The rate of year-over-year employment growth averaged a whopping 4.7% in the first quarter of the year before dropping to 3.9% for the month of April (that is a preliminary number and therefore could be revised upward with the release of the May data). Employment growth rates continue to rank as third-highest among Texas metro areas behind only the booming Petroplex economies of Midland and Odessa. An estimated 4,500 jobs were added over the last 12 months through April, and employment growth was broad-based with no employment category losing jobs. The government sector and leisure/hospitality – both strongly tied to Texas A&M University – led the way adding 1,400 jobs and 1,500 jobs, respectively, over the last year. Professional and Business Services added 700 jobs over the last 12 months. The B-CS metro area unemployment rate dipped to 2.7% in April, third-lowest in the state, a record for the month of April, and down from 2.9% in April of a year ago.

Auto sales remain impressive through the first four months of the year with inflation-adjusted spending on new and used motor vehicles up by over 10% for the year, and up by over 17% for the month of April. First quarter real auto spending posted an 8% year-over-year increase even though the March monthly total was down by close to 4% compared to March of a year ago.

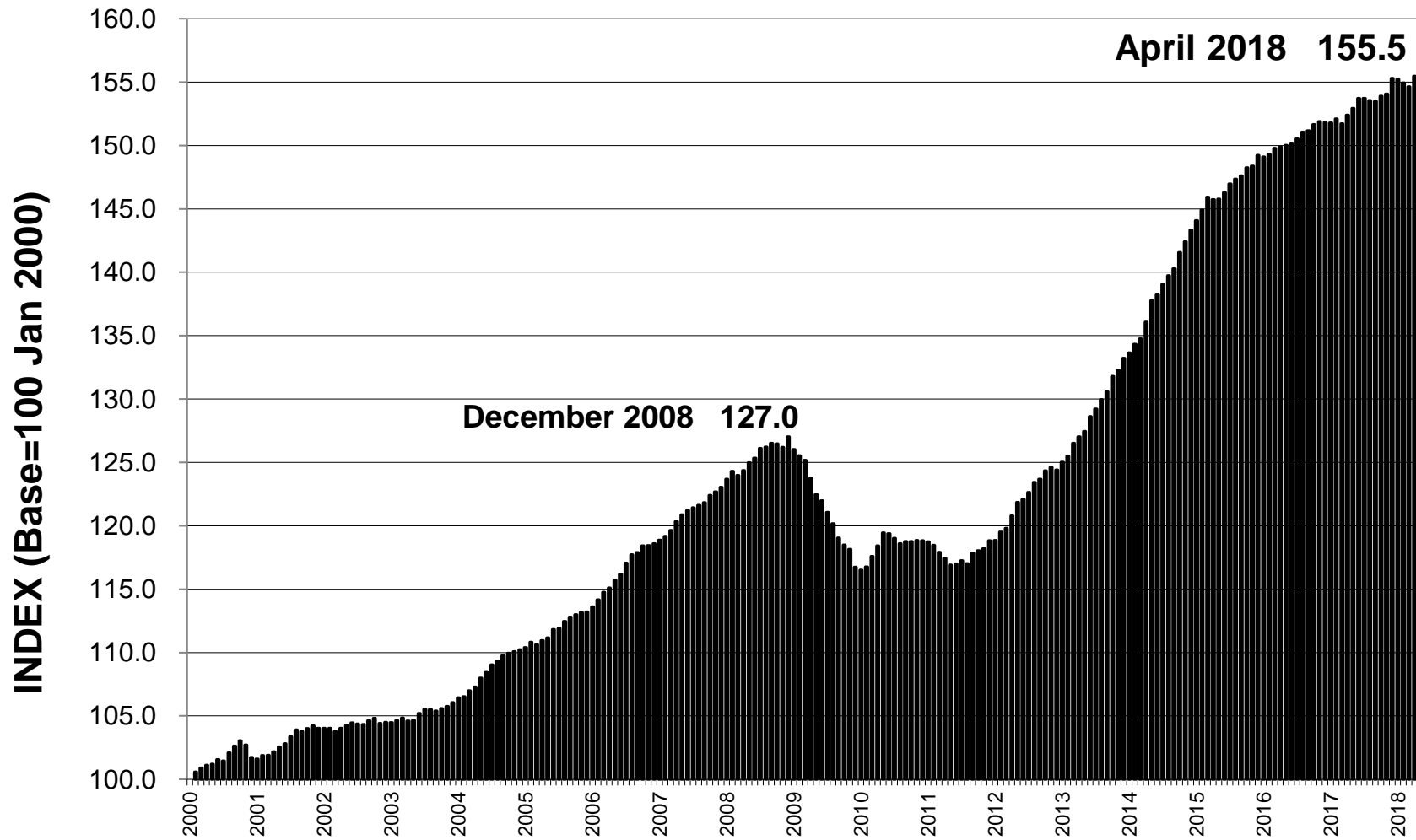
The years 2015 and 2016 were by far the biggest two-year period for building activity in Bryan-College Station with the record set for the real (inflation-adjusted) building permit valuation in 2016. The numbers fell from those lofty levels in 2017 and continue to decline sharply in 2018. The total real permit valuation through April is down by over 40% compared to the January-April 2017 total, which in turn was down by about 16% year-over-year. First quarter permit valuations were also down by over 40% compared to the first three months of 2017. Single-family housing construction continues its downward trend thus far in 2018 as well. The number of new permits issued was off by some 26% in the first quarter compared to year-ago levels and is down by about 22% through April.

Following a 21% decline in March, existing home sales rebounded in April with a 20% year-over-year increase and the highest number of closed sales ever recorded for the month of April. The total for the year-to-date remains down slightly compared to year-ago levels but the total through April 2017 was a record for that time period and was up by over 7% compared to the prior year. The first quarter average price of those sales was up by a stout 10% compared to the first quarter 2017; the April monthly average was down slightly compared to a big number in April of a year ago in which the monthly average price was over 15% higher compared to the previous April. That makes the average for the year-to-date through April about 6% higher than the January-April 2017 average, which in turn was up by 8.5% compared to the first four months of the prior year.

The Bryan-College Station general economy remains in its pattern of expansion through April; even though the index declined slightly in February and March (associated primarily with random volatility in some of the numbers), the index reached a new high in April and the expansion in the B-CS economy is poised to achieve the seven-year mark next month.

The Bryan-College Station Economy

The B-CS Economic Index January 2000 - April 2018



The Bryan-College Station Economy

The B-CS Economic Index

ECONOMIC INDICATORS *	BASE YEAR	LAST YEAR	THIS YEAR	% Change
March/1st Quarter 2018	2000	2017	2018	2017 - 2018
Retail Sales (March)	\$ 165,870,860	\$ 259,985,578	\$ 239,152,835	-8.0%
Retail Sales (1st Quarter)	\$ 545,169,426	\$ 816,350,215	\$ 802,027,951	-1.8%
Automobile Sales (Dollars Spent on Auto Purchases - March)	\$ 21,466,579	\$ 38,383,254	\$ 36,979,319	-3.7%
Automobile Sales (1st Qtr)	\$ 58,204,862	\$ 102,978,817	\$ 111,231,391	8.0%
Hotel/Motel Spending (YTD)	\$ 7,705,937	\$ 18,208,409	\$ 19,722,455	8.3%
Value All Construction (March)	\$ 26,800,084	\$ 59,626,625	\$ 60,608,548	1.6%
Value All Construction (1st Qtr)	\$ 93,580,656	\$ 195,104,377	\$ 112,948,039	-42.1%
Single-Family Housing Permits (March)	87	97	69	-28.9%
Single-Family Housing Permits (1st Qtr)	220	373	275	-26.3%
Number of Home Sales (March)	103	356	282	-20.8%
Number of Home Sales (1st Qtr)	221	739	665	-10.0%
Average Home Sale Price (March)	\$ 135,790	\$ 249,425	\$ 268,732	7.7%
Average Home Sale Price (1st Qtr)	\$ 123,771	\$ 236,361	\$ 259,819	9.9%
Dollar Volume of Residential Home Sales Activity (March)	\$ 21,193,609	\$ 91,257,092	\$ 75,782,401	-17.0%
Dollar Volume of Residential Home Sales Activity (1st Qtr)	\$ 41,492,394	\$ 179,822,520	\$ 173,111,963	-3.7%
EMPLOYMENT				
Wage & Salary Employment (March)	87,600	117,300	122,500	4.4%
Wage & Salary Employment (1st Qtr Avg)	86,065	115,665	121,135	4.7%
Unemployment Rate (March)	3.8	3.3	3.0	-9.1%
Unemployment Rate (1st Qtr Avg)	4.0	3.4	3.0	-9.6%
INDEX - March (Base = 100 February 2000)	100.9	151.7	154.6	1.9%

* 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

The Bryan-College Station Economy

The B-CS Economic Index

ECONOMIC INDICATORS *	BASE YEAR	LAST YEAR	THIS YEAR	% Change
April 2018	2000	2017	2018	2017 - 2018
Retail Sales (April)	\$ 153,079,645	\$ 225,906,402	\$ 220,752,546	-2.3%
Retail Sales (Year-to-date)	\$ 699,149,619	\$ 1,043,605,119	\$ 1,024,105,340	-1.9%
Automobile Sales (Dollars Spent on Auto Purchases - April)	\$ 18,653,981	\$ 32,615,766	\$ 38,240,270	17.2%
Automobile Sales (YTD)	\$ 76,829,603	\$ 135,542,852	\$ 149,415,784	10.2%
Hotel/Motel Spending (YTD)	\$ 10,571,106	\$ 25,995,528	\$ 28,691,333	10.4%
Value All Construction (April)	\$ 19,928,292	\$ 70,441,498	\$ 42,198,852	-40.1%
Value All Construction (YTD)	\$ 113,974,628	\$ 266,516,760	\$ 155,708,947	-41.6%
Single-Family Housing Permits (April)	69	92	88	-4.3%
Single-Family Housing Permits (YTD)	289	465	363	-21.9%
Number of Home Sales (April)	102	317	379	19.6%
Number of Home Sales (YTD)	323	1,056	1,044	-1.1%
Average Home Sale Price (April)	\$ 128,504	\$ 254,847	\$ 250,326	-1.8%
Average Home Sale Price (YTD)	\$ 125,265	\$ 241,910	\$ 256,373	6.0%
Dollar Volume of Residential Home Sales Activity (April)	\$ 19,868,957	\$ 83,025,011	\$ 94,873,454	14.3%
Dollar Volume of Residential Home Sales Activity (YTD)	\$ 61,457,289	\$ 263,263,315	\$ 268,385,686	1.9%
EMPLOYMENT				
Wage & Salary Employment (April)	87,200	116,800	121,300	3.9%
Wage & Salary Employment (YTD Avg)	86,350	115,950	121,175	4.5%
Unemployment Rate (April)	3.4	2.9	2.7	-6.9%
Unemployment Rate (YTD Avg)	3.8	3.4	3.0	-13.2%
BRYAN-COLLEGE STATION ECONOMIC INDEX - APRIL	101.1	152.4	155.5	2.0%
(Base=100.0 January 2000)				

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