



Economic Pulse

2025

McAllen Area

September 2025 REPORT

MCALLEN AREA

September 2025 Economic Pulse

Let’s break down the data analysis to explore the **economic impact on McAllen, Texas**, specifically focusing on the role of McAllen as a border town and the broader implications for its local economy.

Sales & Consumer

1

RETAIL
SALES

Retail sales indicate consumer spending, confidence, and economic momentum. Growth drives businesses and jobs, while declines suggest caution.



Trailing Twelve Months:

2023 - 2024: \$9,619,635,350

2024 - 2025: \$10,253,333,191

TTM %

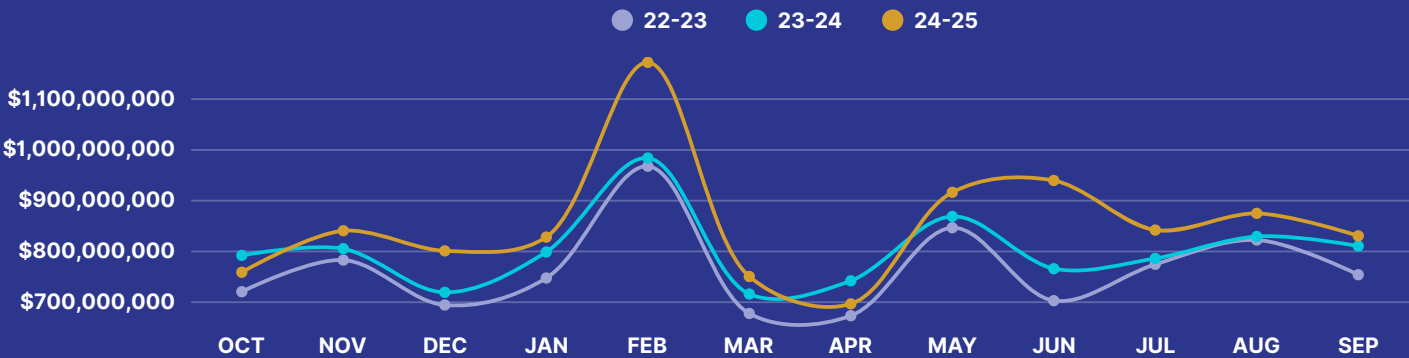
6.59%

September 2025

\$830,739,945

YoY %

2.48%



Retail activity remains strong due to local and regional demand. Growth is influenced by McAllen’s affordability, cross-border shoppers, and a mix of shopping options. Sales respond directly to peso strength, and lower bridge wait times.

2

SALES TAX RECEIPTS

Reflection on consumer spending, one of the strongest indicators of local economic activity. They offer timely insights into retail performance, business confidence, and the health of the regional economy.



Trailing Twelve Months:

TTM %

September 2025

YoY %

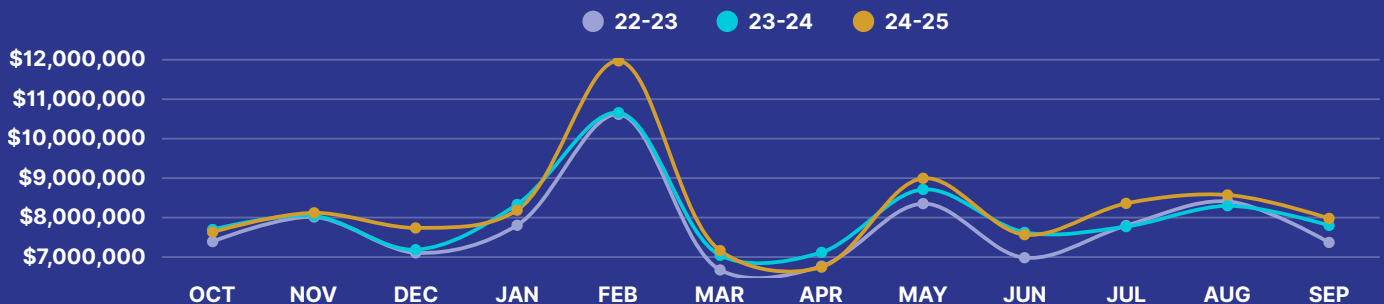
2023 - 2024: \$96,286,757

2.85%

\$7,978,565

2.28%

2024 - 2025: \$99,031,075



Sales tax receipts in McAllen are sustained by steady local spending and daily cross-border shoppers from Mexican communities. This pattern reflects the city's role as a border hub where families purchase essentials, electronics, and household goods due to pricing and product availability. If cross-border travel or consumer confidence strengthens further, sales tax revenue could see significant continued growth.

Tourism & Service Sector

3

MIXED BEVERAGE TAX RECEIPTS

Mixed beverage tax receipts indicate economic activity, especially in hospitality and tourism. Higher receipts reflect increased consumer spending, while declines can signal downturns or shifts in behavior.



Trailing Twelve Months:

TTM %

September 2025

YoY:

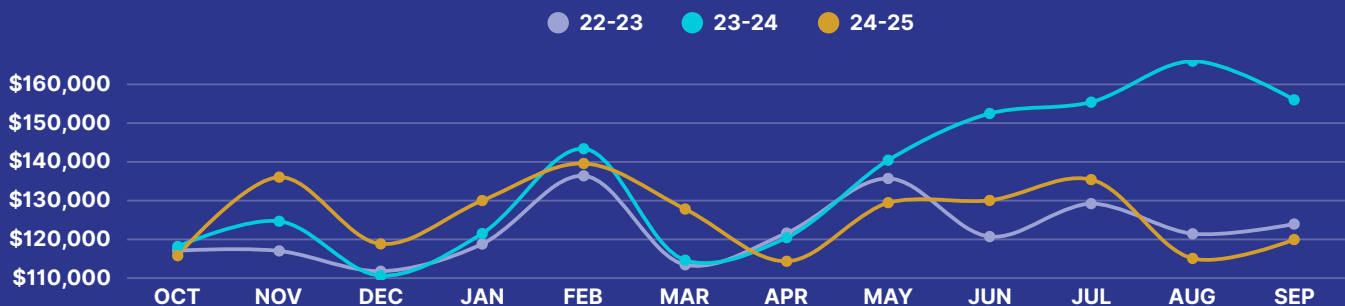
FY23-24: \$1,623,834

-6.85%

\$119,965

-23.11%

FY24-25: \$1,512,549



Restaurant and bar activity remains tied to weekend tourism, medical appointments, and cross-border visitors seeking dining and nightlife experiences in McAllen. Spending patterns fluctuate with currency exchange rates and discretionary income from neighboring Mexican communities.



4

LOADING TAX RECEIPTS

Signals tourist activity, and a reflection of McAllen's economy through positive correlation between spending in hotels, restaurants, and local businesses.



Trailing Twelve Months:

TTM %:

September 2025

YoY:

2023 - 2024: \$5,565,582

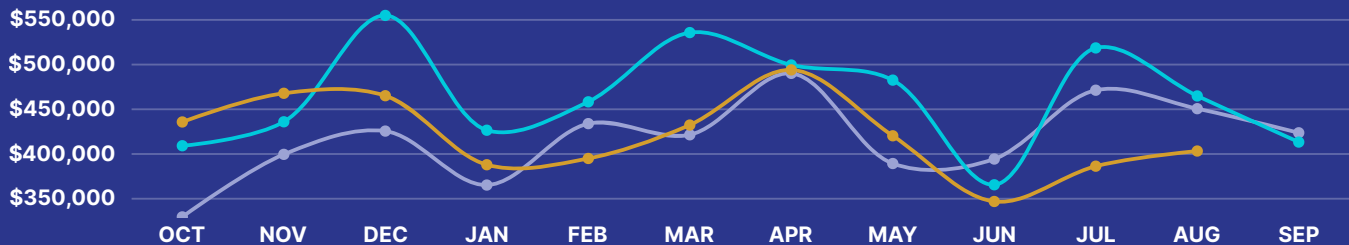
-9.23%

\$416,565

0.78%

2024 - 2025: \$5,051,889

● 22-23 ● 23-24 ● 24-25



Hotels rely on business travelers, medical tourism, and cross-border visits. McAllen's proximity to South Texas medical centers, along with nearby corporate offices, maintains steady room occupancy. Sustained visitation supports hospitality employment and reinforces the city as a preferred lodging hub in the Rio Grande Valley.

Construction & Housing

5

VALUE OF ALL CONSTRUCTION PERMITS

A reflection of the level of investment in the local economy. It also indicates investor confidence and future economic activity.



Trailing Twelve Months:

TTM %

September 2025

YoY %

2023 - 2024: \$1,232,092,754

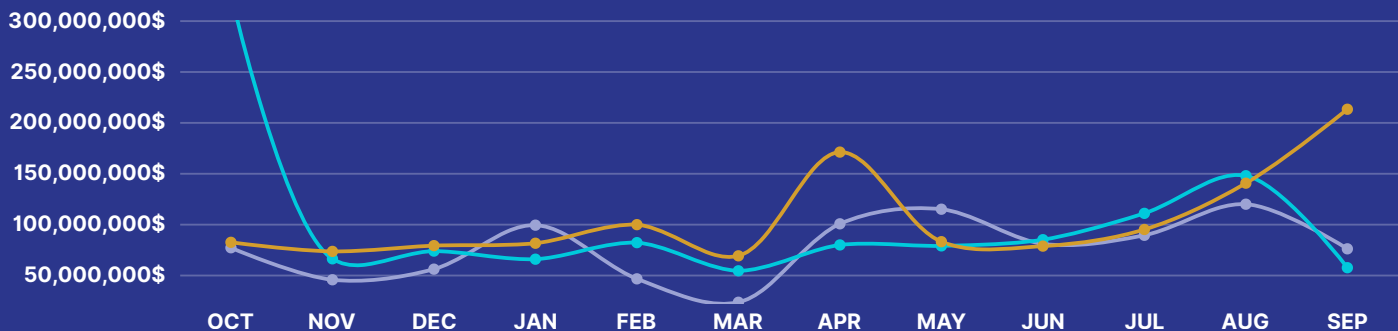
3.05%

\$213,392,990

269.88%

2024 - 2025: \$1,269,660,376

● 22-23 ● 23-24 ● 24-25



A large commercial project in Edinburg for a battery energy storage system facility generated this spike due to the project valuation being at almost \$100M. Additionally, McAllen doubled their outcome YoY to \$56M which has been the trending average of the year, and Pharr increased their output YoY by 7x. The strong pace by all cities resulted in an incredible 269% increase overall. This figure should stabilize next month once we account for the Edinburg outlier.



6

NEW HOME PERMITS

New Home Permits reflect consumer confidence, demand for housing, and potential future growth in construction and related industries.



Trailing Twelve Months

TTM %

September 2025

YoY %

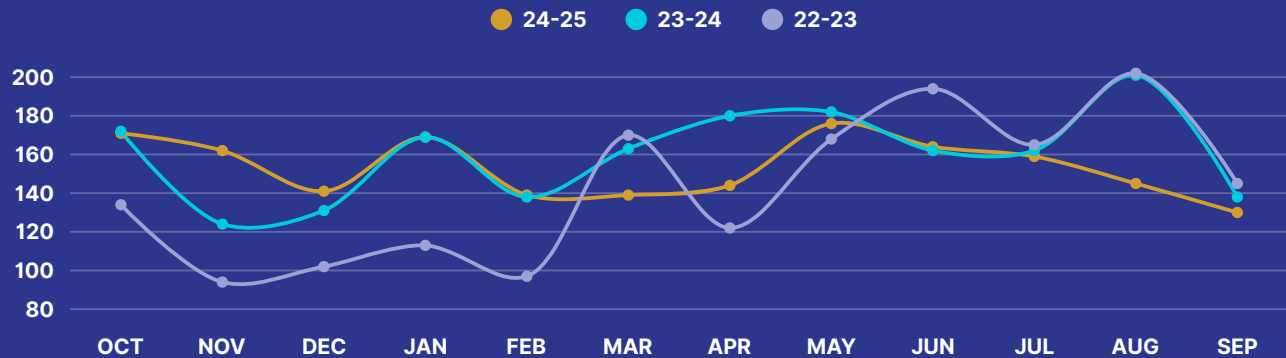
2023 - 2024: 1,922

2024 - 2025: 1,839

-4.32%

130

-5.80%



Housing activity remains attractive due to population growth and affordability compared to other Texas metros. Recent declines reflect continued high interest rates, temporary supply constraints and severe labor shortages. A rebound in permitting could signal stronger residential investment.

7

HOME SALES

The average home sale price signals wealth, inflation, and buying power. Rising prices boost homeowner equity, while declines may indicate economic slowdowns.



Trailing Twelve Months

TTM %

September 2025

YoY %

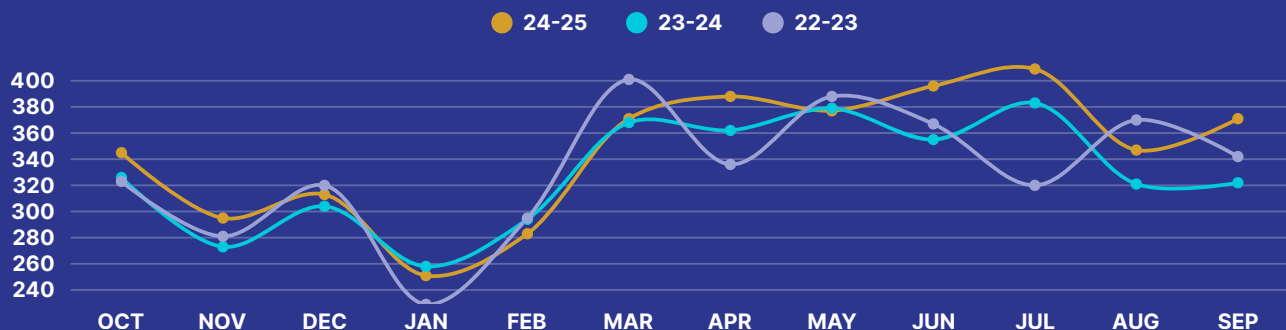
2023 - 2024: 3,945

2024 - 2025: 4,146

5.10%

371

15.22%



Home sales grew 15.22% YoY. Lower interest mortgage rates and continued interest from cross-border buyers support transactions, while local families still prioritize affordable neighborhoods. Activity is concentrated in McAllen North and Sharyland areas where inventory is higher.

8

AVERAGE HOME SALES PRICE

The average home sale price signals wealth, inflation, and buying power. Rising prices boost homeowner equity, while declines may indicate economic slowdowns.



Trailing Twelve Months

TTM %

September 2025

YoY %

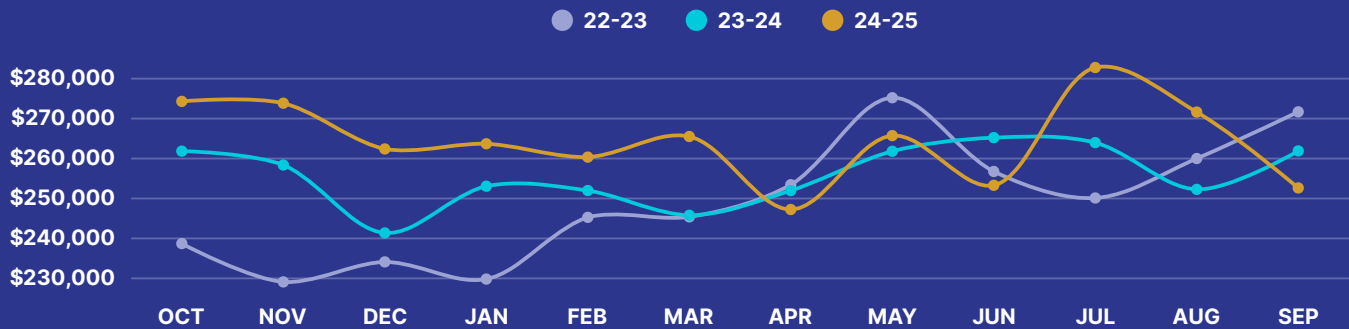
2023 - 2024: \$255,808

2024 - 2025: \$264,455

3.38%

\$252,644

-3.54%



Prices declined 3.54% YoY. Slight price adjustments reflect builders responding to increased supply and affordability pressure, especially in border-adjacent communities. A significant increase in supply depreciates the value of the building, and increasing labor pressure have brought builders to a deceleration in construction.

9

DOLLAR VOLUME RESIDENTIAL REAL ESTATE SALES

Provides a clear picture of both housing demand and overall economic confidence in the region. It captures the total investment flowing into the local housing market, reflecting broader trends in wealth, lending activity, and growth.



Trailing Twelve Months

TTM %

September 2025

YoY %

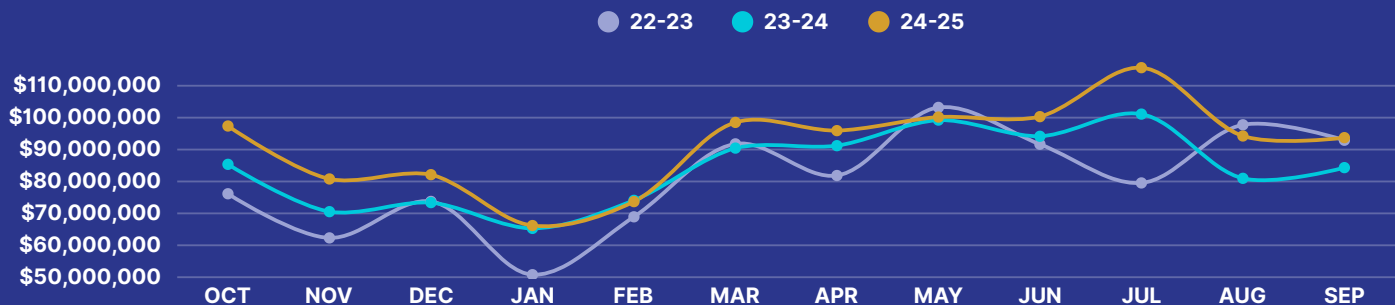
2023 - 2024: \$1,010,146,185

2024 - 2025: \$1,098,736,672

8.77%

\$93,731,274

11.14%



Volume increased 11.14% YoY. Strong transactions are concentrated in subdivisions popular with cross-border investors and families relocating from surrounding border towns.

Transportation



10

MFE ENPLANEMENT DATA

- More flights, new routes, or better services offered by airlines can attract more passengers. Hosting large events.
- Conventions, or conferences can temporarily boost enplanements as attendees fly in and out of McAllen.
- Growth in local businesses or the arrival of new companies can lead to more business travel, increasing enplanements



Trailing Twelve Months

TTM %

September 2025

YoY %

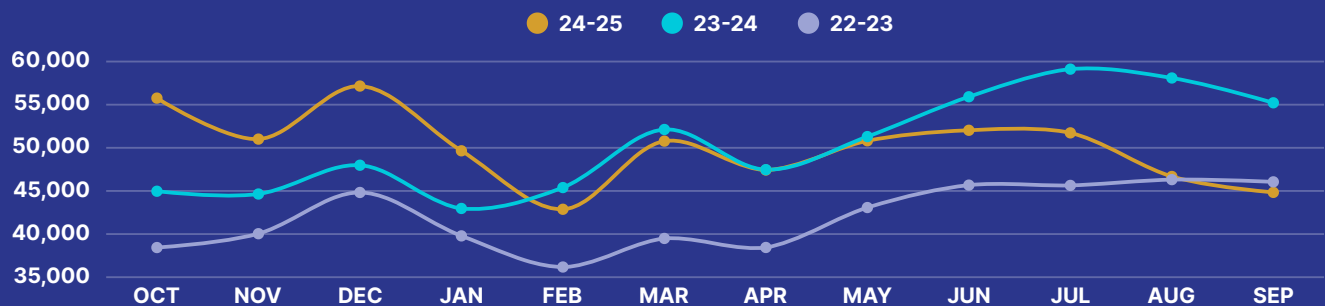
2023 - 2024: 605,192

-0.73%

44,832

-18.81%

2024 - 2025: 600,751



Airport declines may be tied to airline schedule reductions, rising fuel costs. A hit should be felt in October/November due to the cancellation of the air service to CDMX.

11

METRO RIDERSHIP

provides insights into public transportation usage patterns, helping to identify trends in commuter behavior and demand. This information enables better planning and resource allocation to improve service efficiency, accessibility, and overall rider experience.



Trailing Twelve Months

TTM %

September 2025

YoY %

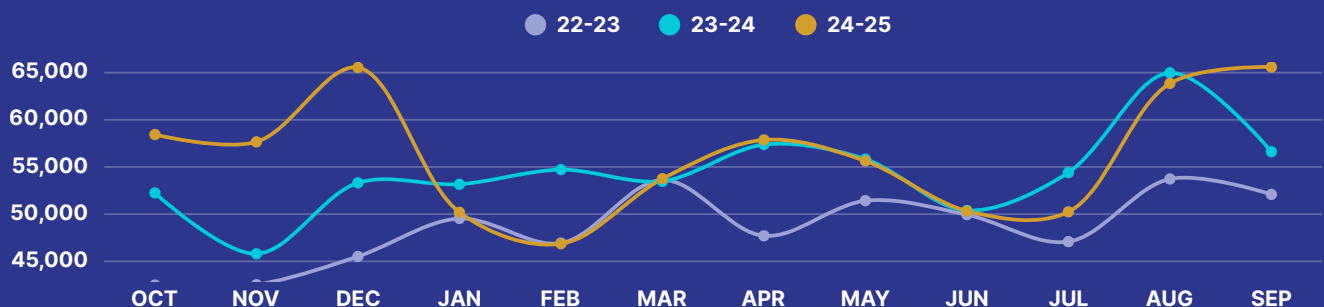
2023 - 2024: 652,357

3.63%

65,591

15.85%

2024 - 2025: 676,010



Transit ridership benefits workers, students, and families. Recent growth may reflect higher fuel costs, increase population density, or employment concentration near transit routes. Further expansion of ridership could reduce traffic congestion and increase support for public transportation investments.

Cross-Border Commerce

BRIDGE CROSSINGS

Category	Sept-2025	YoY Change	TTM Change
Southbound Personal Vehicle Crossings	325,270	▼ 12.66%	▼ 12.47%
Northbound Personal Vehicle Crossings	347,985	▼ 10.50%	▼ 13.93%
Northbound Personal Vehicle Passenger Crossings	688,709	▼ 13.12%	▼ 14.91%
Northbound Bus Crossings	916	▲ 5.41%	▼ 11.60%
Northbound Bus Passenger Crossings	15,210	▲ 5.14%	▼ 7.52%
Northbound Truck Crossings	61,336	▲ 3.72%	▲ 1.06%

Labor Market

12

NON-FARM PAYROLL

A key measure of job growth and economic activity across all major sectors, offering a broad view of employment health. Tracking these numbers helps assess business expansion and labor market strength.



Trailing Twelve Months TTM % September 2025 YoY %

2023 - 2024: \$301,150 -7.37% N/A N/A
2024 - 2025: \$278,958



DATA NOT AVAILABLE

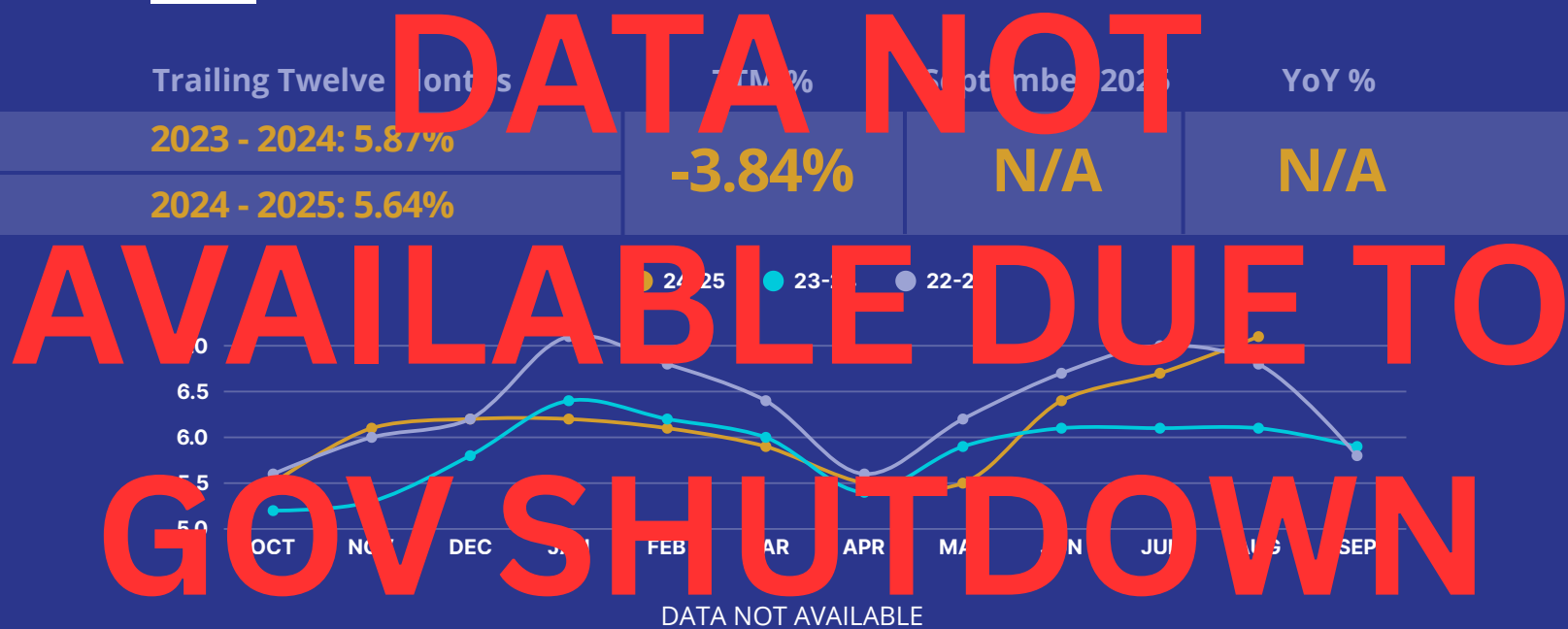
13

UNEMPLOYMENT RATE

Moderate unemployment promotes labor market flexibility and productivity.



Trailing Twelve Months	TTM %	September 2025	YoY %
2023 - 2024: 5.87%	-3.84%	N/A	N/A
2024 - 2025: 5.64%			



Consumer Sentiment

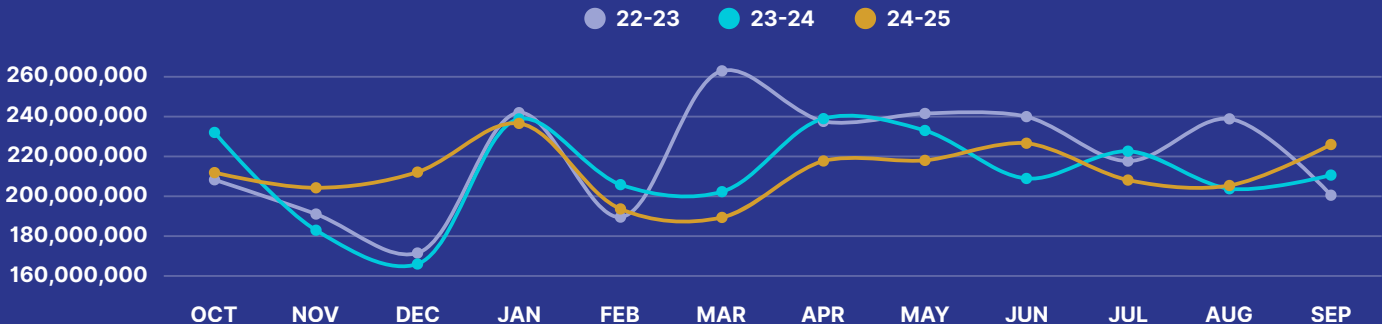
14

DOLLARS SPENT ON AUTO PURCHASES

Home sales reflect economic health by indicating consumer confidence, job stability, and credit access. Strong sales drive related industries, while declines signal uncertainty.



Trailing Twelve Months	TTM %	September 2025	YoY %
2023 - 2024: \$2,546,094,132	0.15%	\$225,997,097	7.29%
2024 - 2025: \$2,549,903,080			



Auto dealers benefit from regional buyers seeking selection and pricing advantages. Growth is driven by commuting needs, rising household incomes, and cross-border demand.

15

PESO
EXCHANGE
RATE

Monitoring the peso exchange rate is essential for border economies where cross-border commerce and consumer spending are deeply tied to the strength of the Mexican peso. Fluctuations in the exchange rate can signal broader economic shifts and influence regional trade dynamics.



Trailing Twelve Months

TTM %

September 2025

YoY %

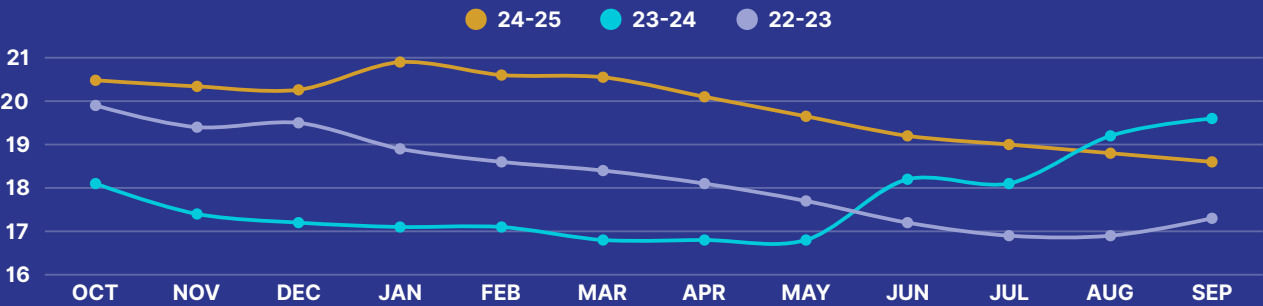
2023 - 2024: \$17.69

2024 - 2025: \$19.87

12.32%

\$18.60

-5.30%



The peso-dollar rate increased 12.32% YoY. A stronger peso incentivizes Mexican families to shop in McAllen, boosting retail, food, and healthcare sectors. Currency swings have immediate, visible impacts on local sales and bridge traffic.



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