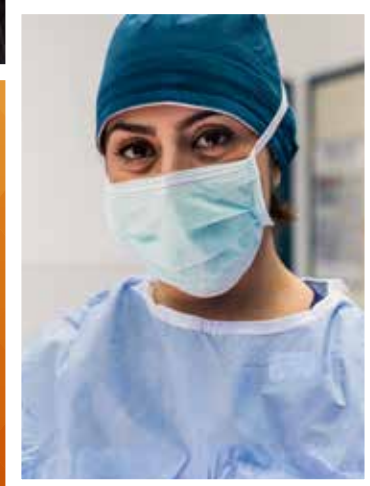
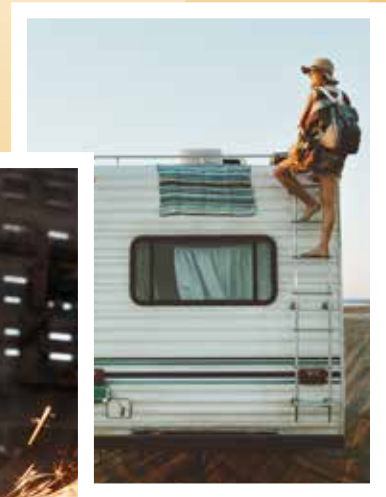
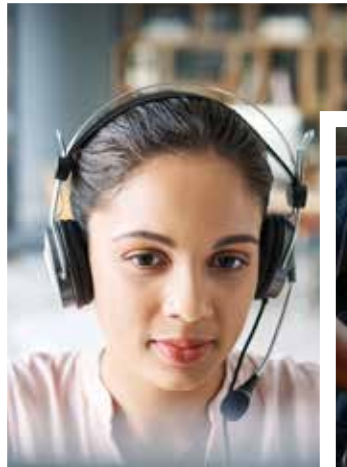


# TEXAS BORDER ECONOMY

Joshua Roberson, Lead Data Analyst



TEXAS A&M UNIVERSITY

Texas Real Estate Research Center

TECHNICAL REPORT

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SECOND QUARTER 2024



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# About this Report

Texas Real Estate Research Center economists continuously monitor many facets of the global, national, and Texas economies. *Texas Border Economy* is a summary of important economic indicators that help discern trends in the housing markets along the Texas-Mexico border.

This quarterly publication provides data and insights on the Texas border markets. We hope you find them useful. Your feedback is always appreciated. Send comments and suggestions to [info@recenter.tamu.edu](mailto:info@recenter.tamu.edu).

Author: Joshua Roberson

Data current as of August 16, 2024.

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# Border Summary Second Quarter 2024

BORDER EMPLOYMENT

▲ 6,200 jobs

UNEMPLOYMENT RATE

▲ 5.1% QOQ

HOUSING SALES

▲ 2% YOY

PESO/USD

▲ \$18.19

Border employment grew in 2Q2024 but not enough to prevent an increase in the unemployment rate. Housing sales had a better second quarter this year than last year, and home prices increased in three of the four border metros. Inflation also continued to cool as the Federal Reserve's interest rate increases showed more impact. However, the inflation rate was still above the Fed's inflation target, showing continuing signs of decelerating.

## Economy

Brownsville had the strongest economic growth over the past four quarters according to the **Dallas Fed's Business-Cycle Index**, with year-over-year (YOY) index growth of 3.4 percent. El Paso's economic growth over the same period trailed behind Brownsville with 2.6 percent YOY growth. Laredo dipped 1.2 percent while McAllen was the only border metro with stagnant growth and no change since last year.

Overall, **border MSA nonfarm employment** gained 6,200 positions for a 0.7 percent quarter-over-quarter (QOQ) gain (Figure 1). McAllen had the largest gain at 1.4 percent, adding 4,200 jobs. Laredo was the only border metro with a QOQ loss, although the loss was minor, resulting in 200 fewer jobs than the first quarter. Both Brownsville and El Paso gained approximately 0.5 percent, adding 600 and 1,600 jobs, respectively.

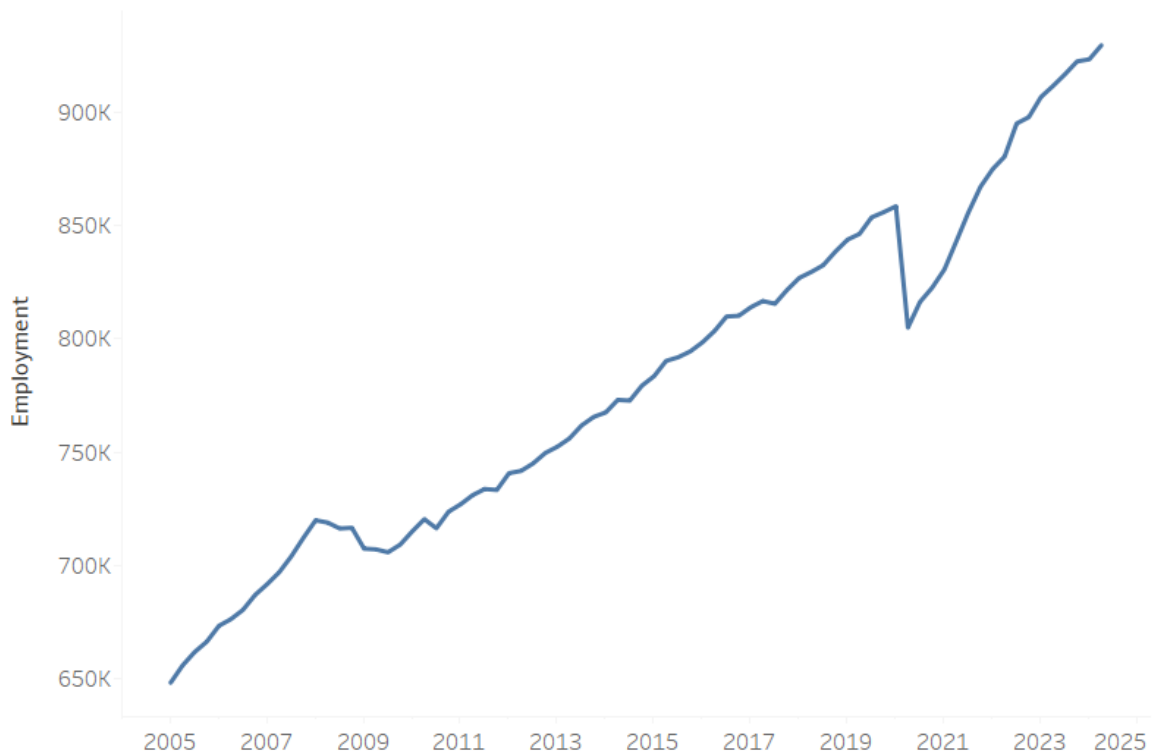
The **border-wide unemployment rate** was 5.1 percent in 2Q2024, which was ten basis points higher than the previous quarter. All four border metros increased this quarter with McAllen climbing above 6 percent to reach 6.1. Brownsville had the second highest unemployment rate at 5.4 followed by El Paso and Laredo at 4.4 and 4.2 percent, respectively.

**Border MSA average hourly earnings** decreased 12 cents reaching \$21.34. The largest gains this quarter were from Brownsville and McAllen. Since 2Q2023, average Brownsville wages have grown from \$17.45 to \$19.90 in 2Q2024. In McAllen wages have grown from \$18.85 in 4Q2022 to \$21.73 in 2Q2024.

**Pedestrian** border crossings increased by 3.6 percent QOQ and 7.5 percent YOY. Pedestrian border crossings are still over a million counts shy of the pre-pandemic peak of 5.2 million in 4Q2019.

**Personal vehicle passengers** were up 0.8 percent from last quarter and 2.2 percent from last year. Unlike pedestrian traffic, vehicle passenger traffic is ahead of 4Q2019.

**Figure 1. Border Employment**



Source: Texas Workforce Commission  
 Note: Data are seasonally adjusted

On the southern side of the border, **Mexican manufacturing and maquiladora employment<sup>1</sup>** continues to fall after peaking in 2Q2023. The drop in employment was led by a 4.2 percent QOQ decrease in Juárez (Table 1), which is by far the largest maquiladora employment base along the Texas border. The remaining four border cities recorded quarterly increases but, due to their smaller combined size, were not about to offset Juárez.

**Table 1. Mexican Manufacturing and Maquiladora Employment**

City	Total Employed	QOQ Change	YOY Change
Reynosa	130,240	3.80%	-3.90%
Nuevo Laredo	36,415	2.60%	7.30%
Matamoros	60,374	0.40%	-6.90%
Chihuahua	91,559	0.40%	2.20%
Juárez	279,212	-4.20%	-14.30%

Source: National Institute of Statistics, Geography and Informatics (INEGI)

<sup>1</sup> Mexican manufacturing and maquiladora employment is generated by the Instituto Nacional de Estadística y Geografía.

In the currency market, the average **peso per dollar exchange rate** increased to \$18.19 in the second quarter with the U.S. dollar gaining about \$1.42 on the Mexican peso. This quarter was the biggest quarter-to-quarter movement in a year. Despite the upward bump, the current peso per dollar exchange rate is still below the ten-year average of \$19.04.

Border trade was positive in 2Q2024 with both imports and exports increasing. Total border imports increased \$4.1 billion (5.8 percent QOQ), while total exports increased \$2.6 billion (5.7 percent QOQ). The larger rise in imports resulted in an expanded trade deficit of \$26.7 billion from \$25.4 billion in 1Q2024.

## Real Estate

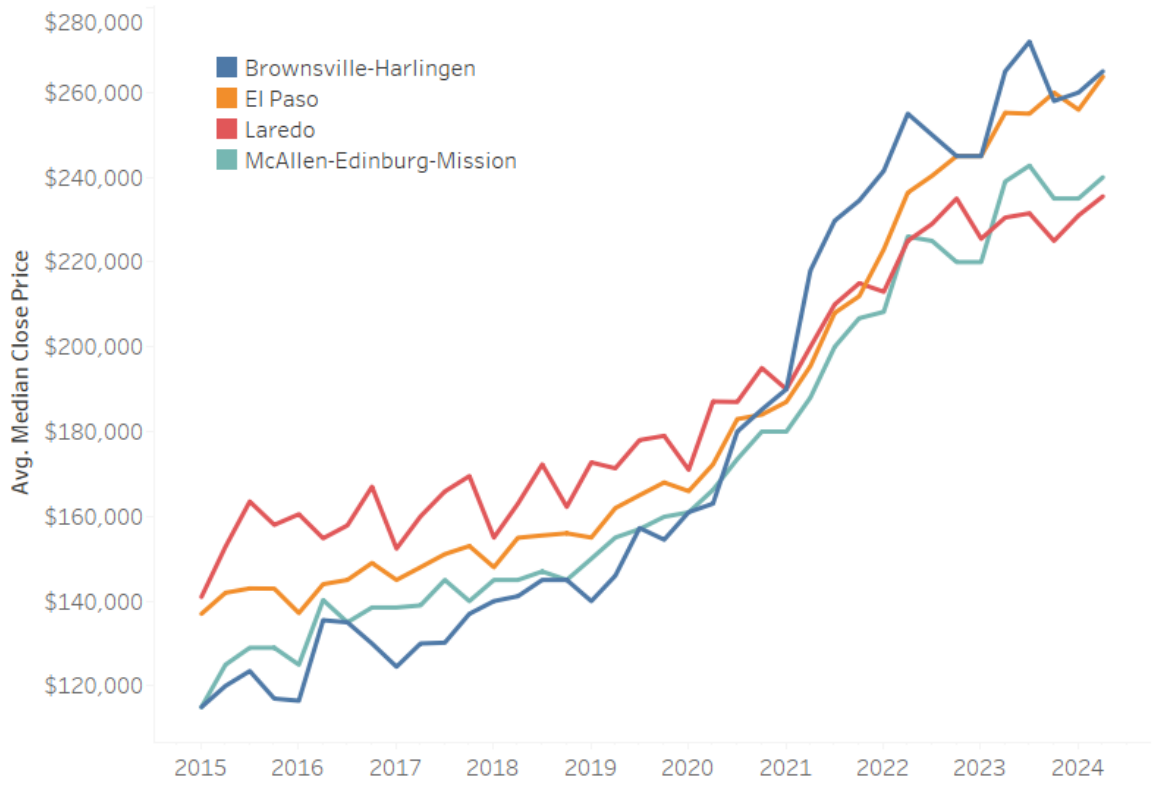
Border home sales were at 4,477, 2 percent higher than the 4,391 sales a year ago (Table 2). McAllen-Edinburg-Mission and Laredo recorded the largest YOY increases at 3.9 and 3.2 percent, respectively. Brownsville-Harlingen was the only MSA that had a drop in home sales (2.4 percent). El Paso was in the middle with a 2.7 percent YOY gain.

Median home prices rose throughout most of the four border metros (Figure 2). All metros except Brownsville-Harlingen, which dropped 0.3 percent YOY, grew in 2Q2024 compared with last year. El Paso had the largest YOY growth rate at 2.9 percent, followed by Laredo at 1.9 percent and McAllen at 1.1 percent.

**Table 2. Border Metros Home Sales**

Metropolitan Statistical Area (MSA)	Sales (Units)	YOY Change
Brownsville-Harlingen	693	-2.4%
El Paso	2,284	2.7%
Laredo	326	3.2%
McAllen-Edinburg-Mission	1,098	3.9%
Source: Texas Real Estate Research Center at Texas A&M University		

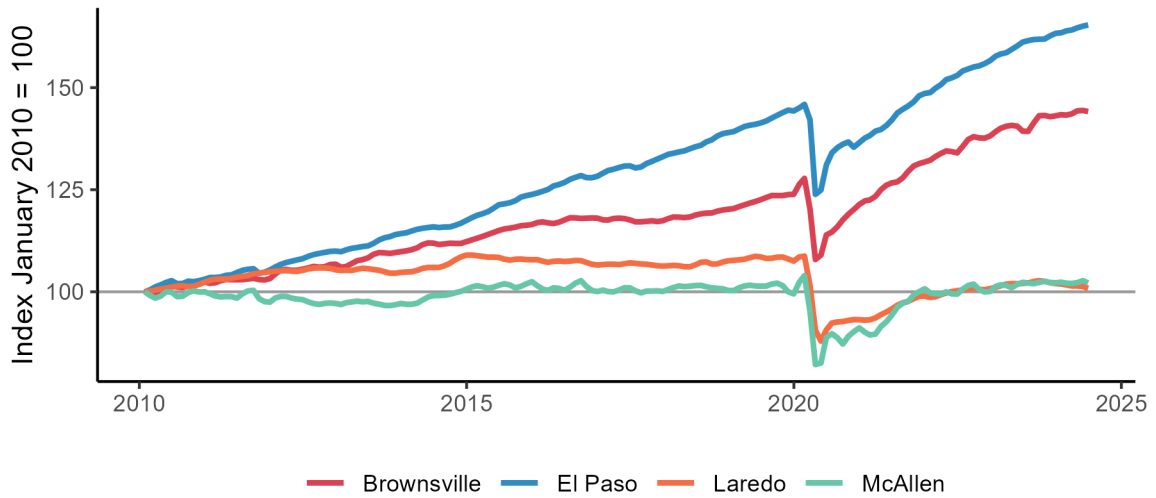
### Figure 2. Border Median Home Prices



Source: Data Relevance Project and Texas Real Estate Research Center at Texas A&M University

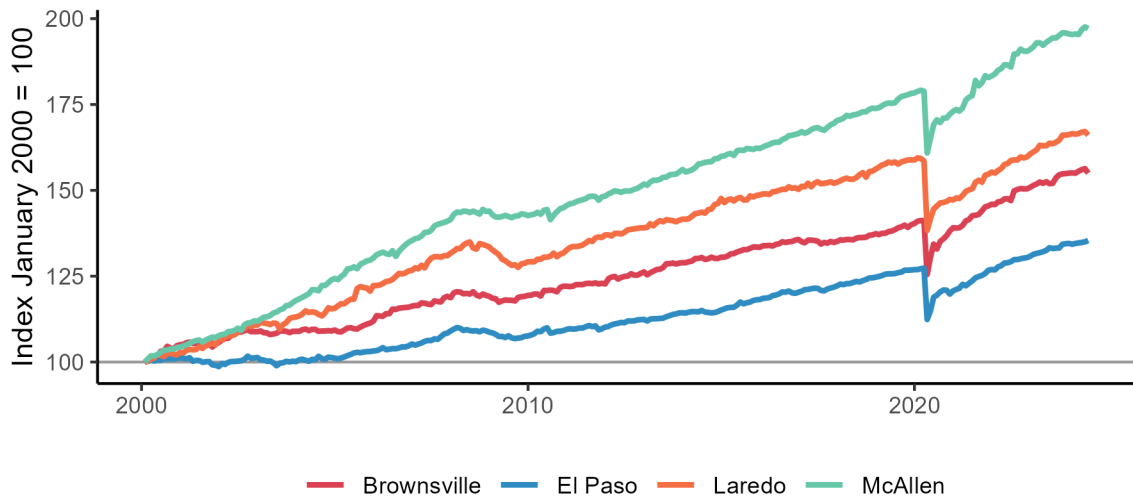
# Economic Activity

## Border Metro Business-Cycle Index



Source: Federal Reserve Bank of Dallas - Texas Real Estate Research Center at Texas A&M University

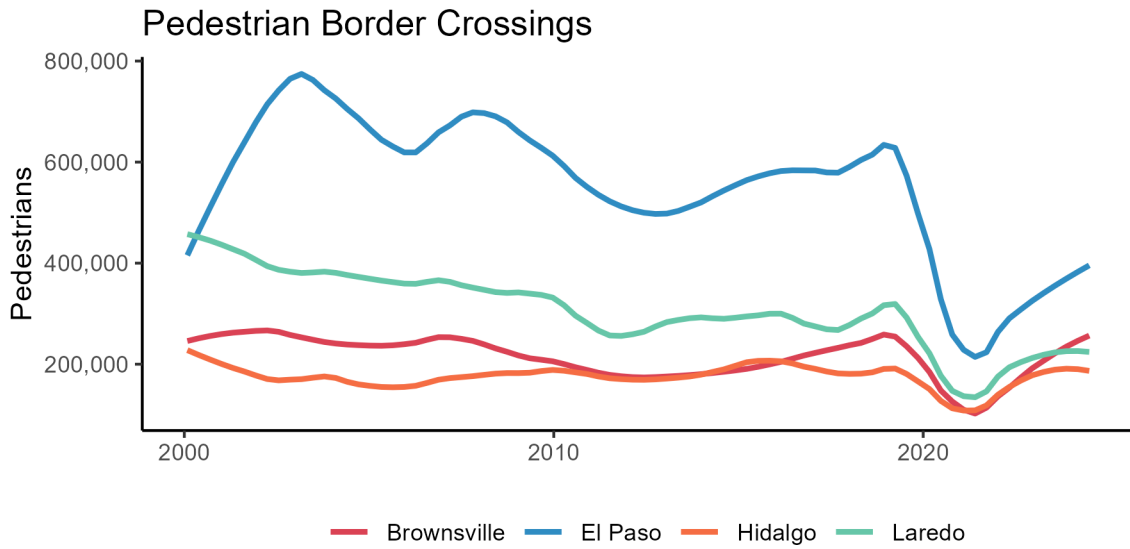
## Border Employment Index



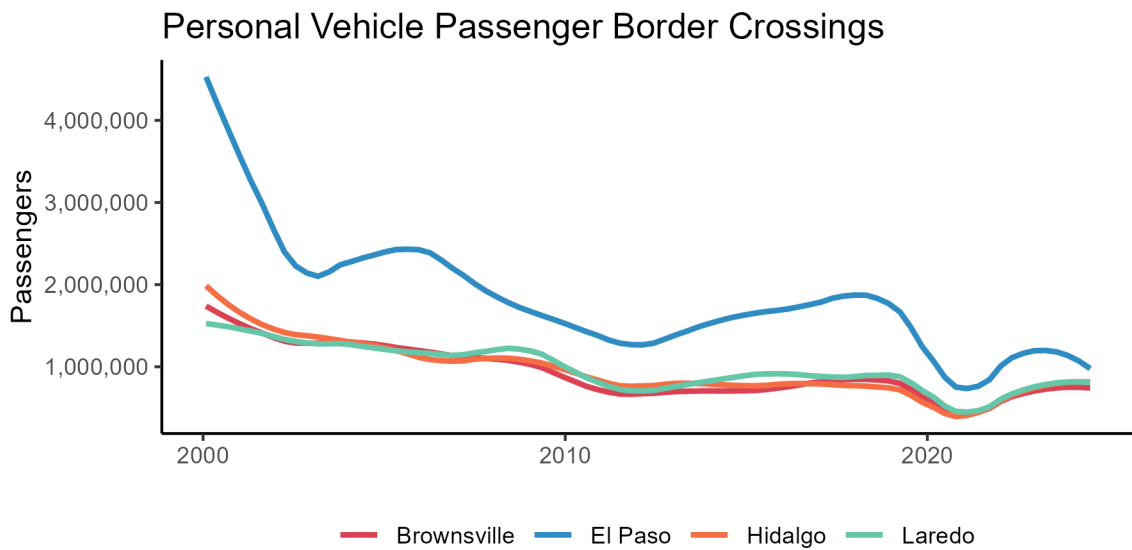
Source: Bureau of Labor Statistics - Texas Real Estate Research Center at Texas A&M University



# Economic Activity



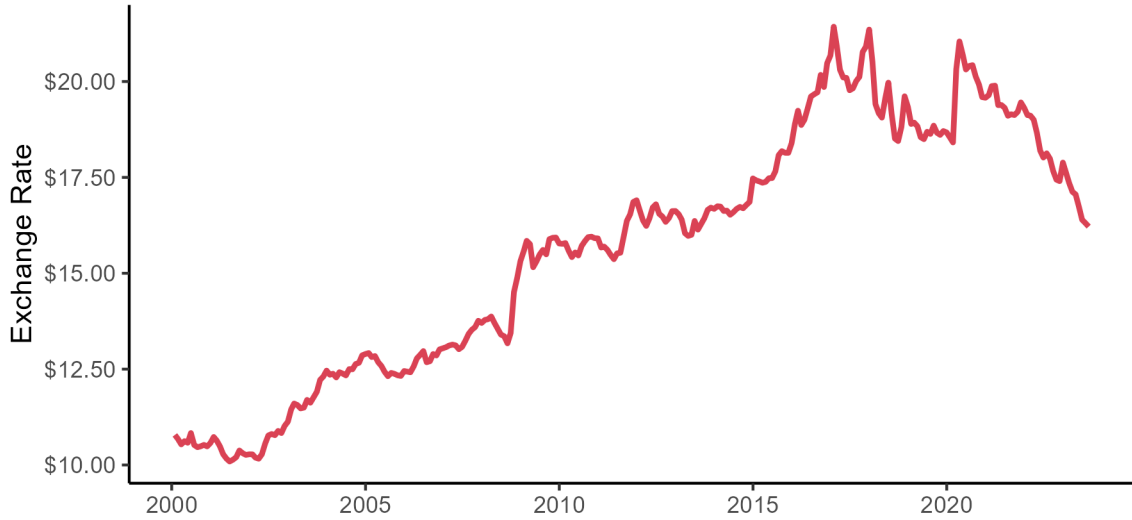
Source: Department of Transportation - Texas Real Estate Research Center at Texas A&M University



Source: Department of Transportation - Texas Real Estate Research Center at Texas A&M University

# Economic Activity

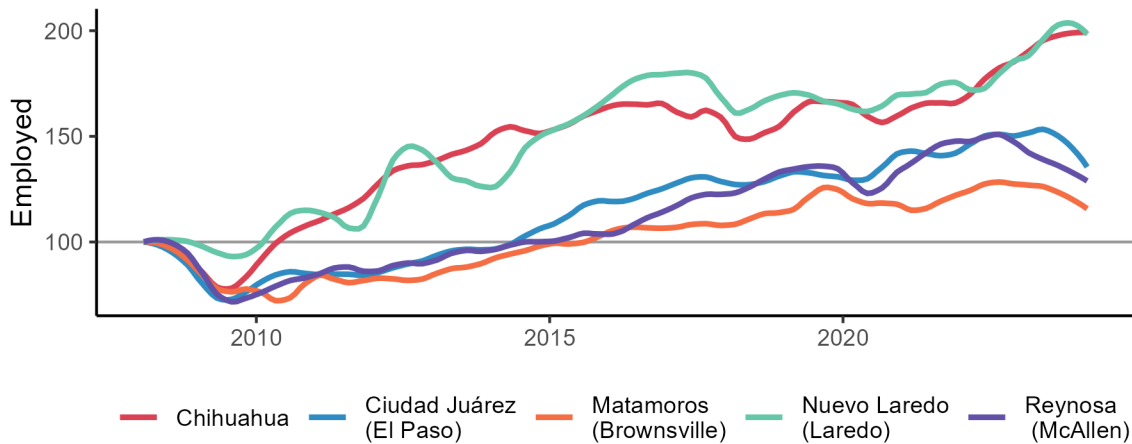
## Real Peso per Dollar Exchange Rate



Source: Federal Reserve Bank of Dallas - Texas Real Estate Research Center at Texas A&M University

## Mexico Maquiladora & Manufacturing Employment

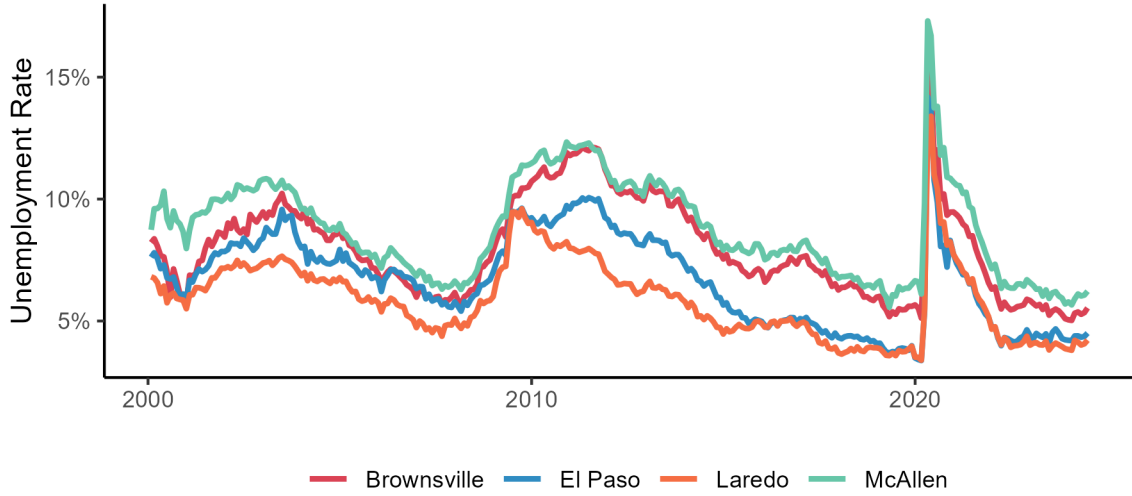
Index January 2008 = 100



Source: Instituto Nacional de Estadística y Geografía & Texas Real Estate Research Center at Texas A&M University

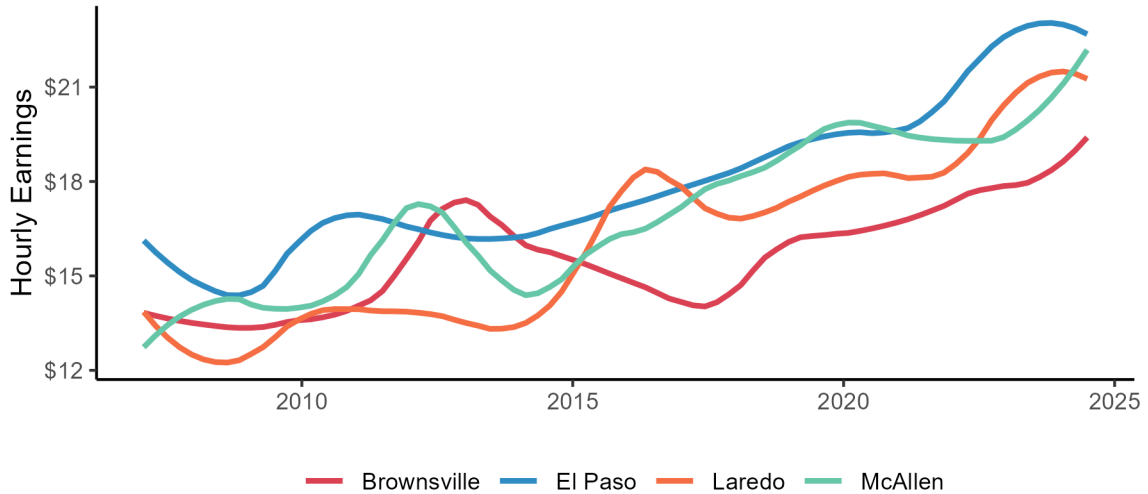
# Economic Activity

## Border Metro Unemployment Rate



Source: Bureau of Labor Statistics - Texas Real Estate Research Center at Texas A&M University

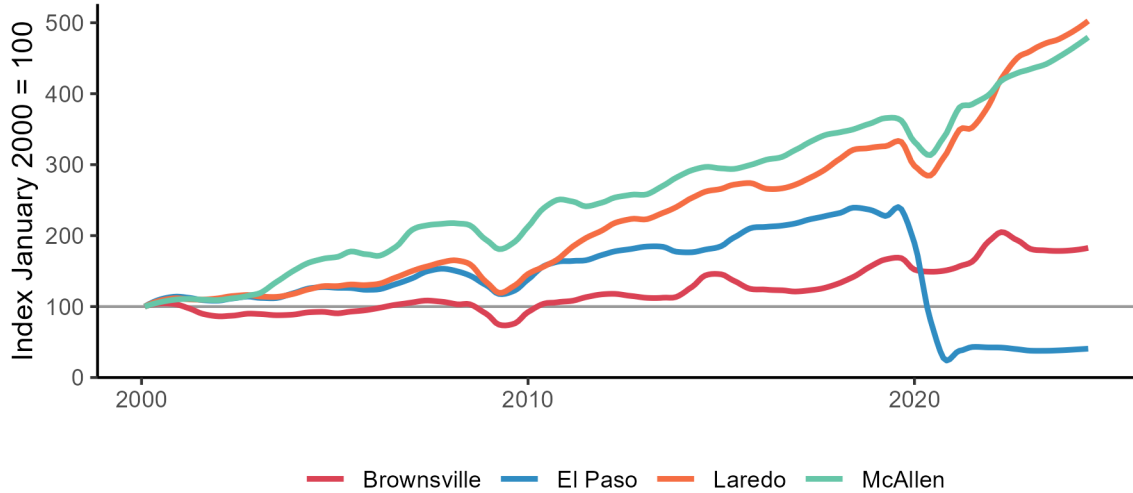
## Border Metro Average Hourly Earnings



Source: Bureau of Labor Statistics - Texas Real Estate Research Center at Texas A&M University

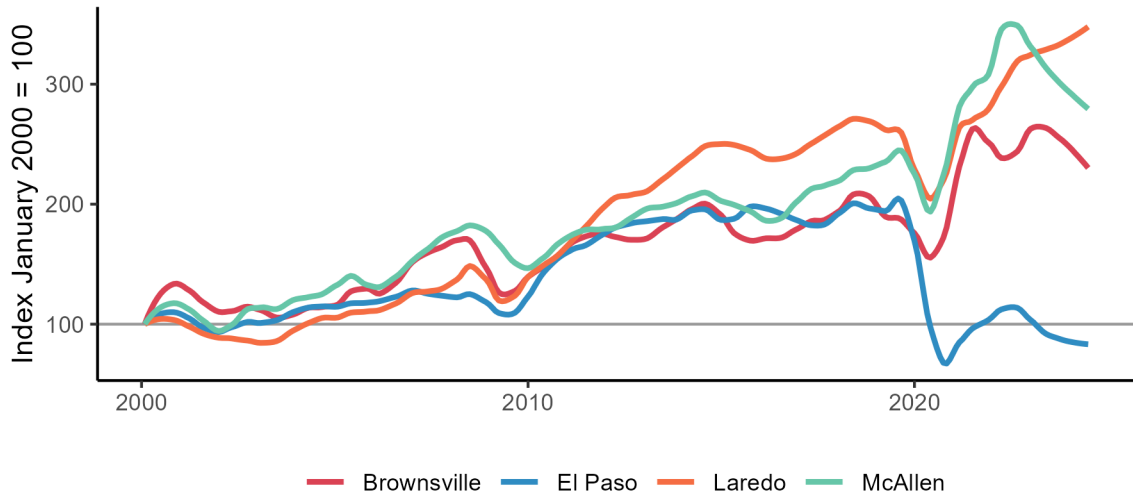
# Economic Activity

## Texas Border Import Values



Source: U.S. Census Bureau - Texas Real Estate Research Center at Texas A&M University

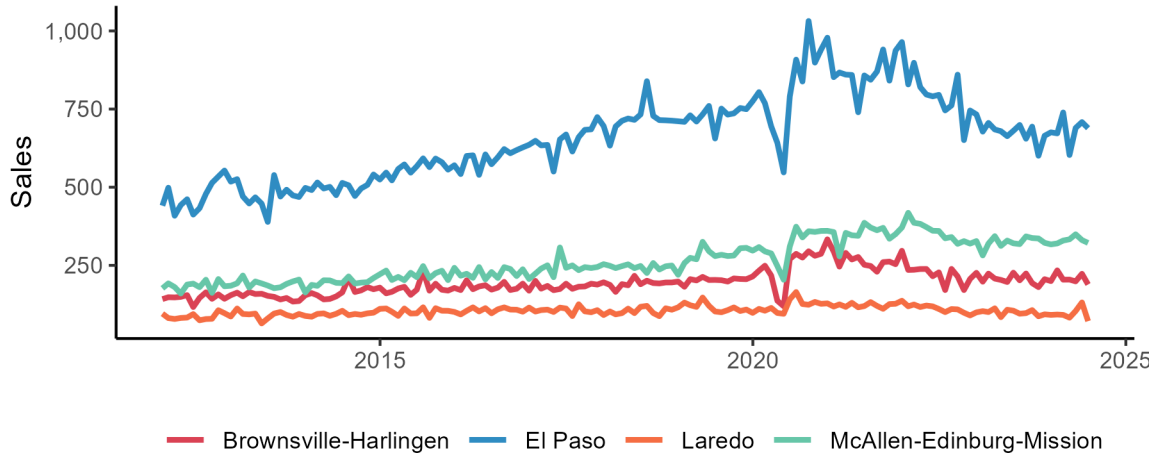
## Texas Border Export Values



Source: U.S. Census Bureau - Texas Real Estate Research Center at Texas A&M University

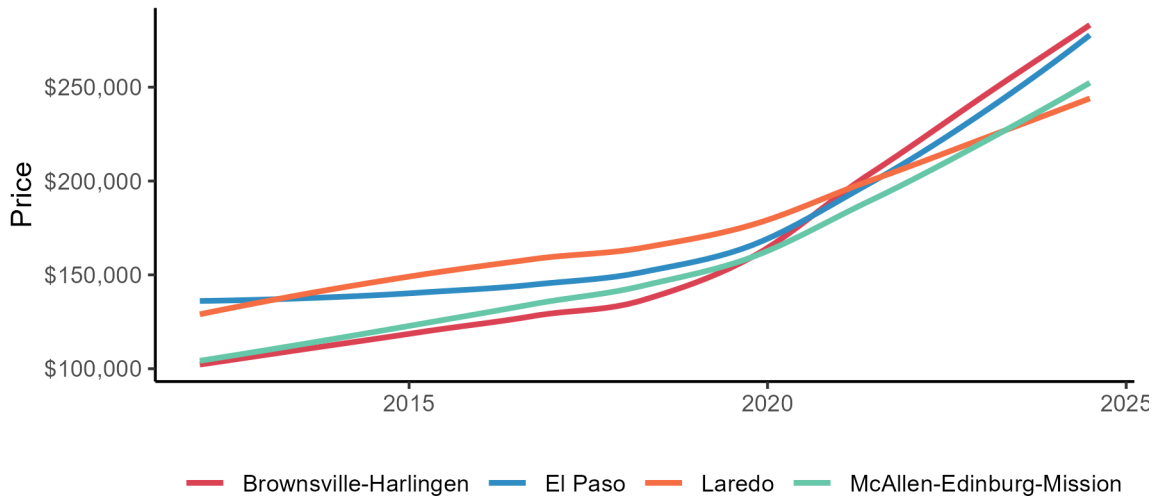
# Housing

**Border Metro Home Sales**  
Seasonally Adjusted Annualized Rate



Source: Texas Real Estate Research Center at Texas A&M University

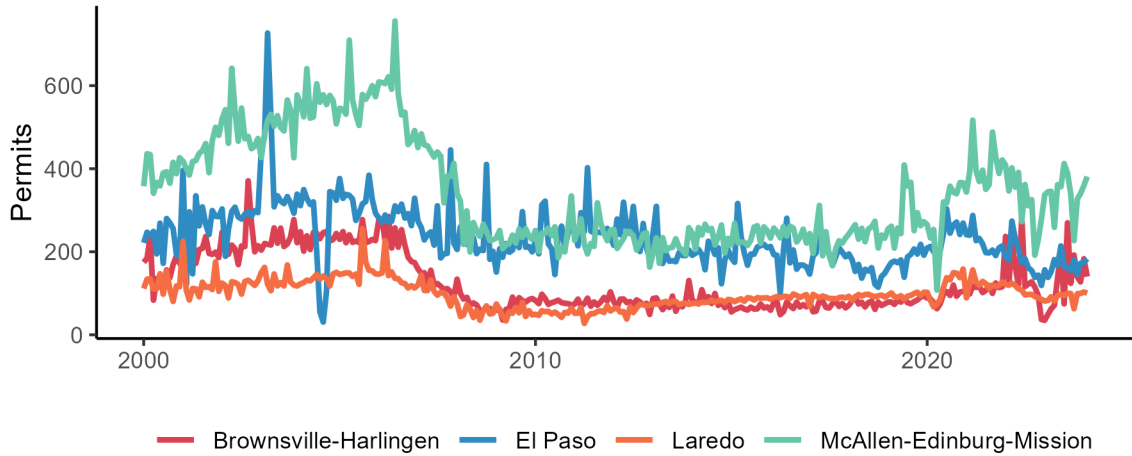
**Border Metro Home Price Trend**



Source: Texas Real Estate Research Center at Texas A&M University

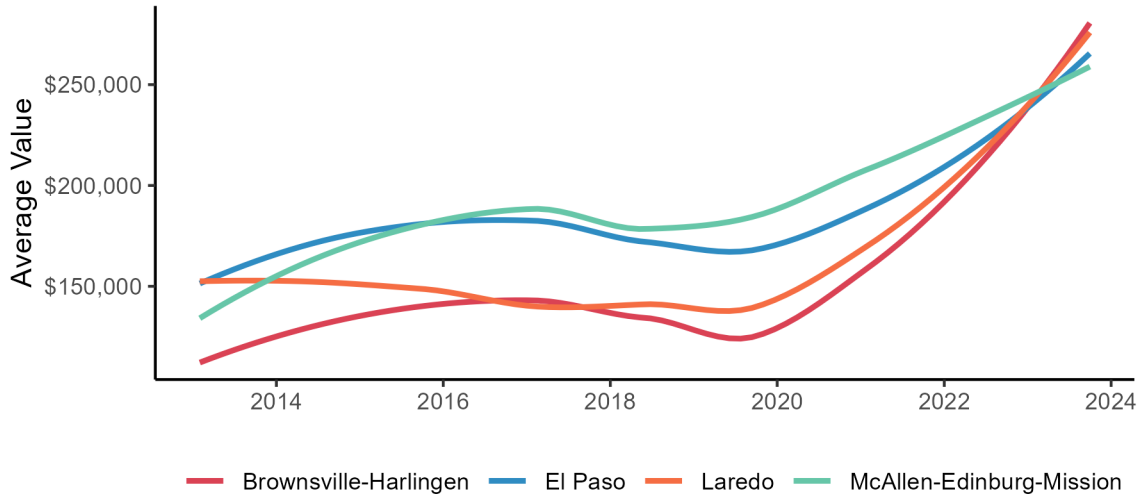
# Housing

**Border Metro Single-Family Permits**  
Seasonally Adjusted Annualized Rate



Source: U.S. Census Bureau - Texas Real Estate Research Center at Texas A&M University

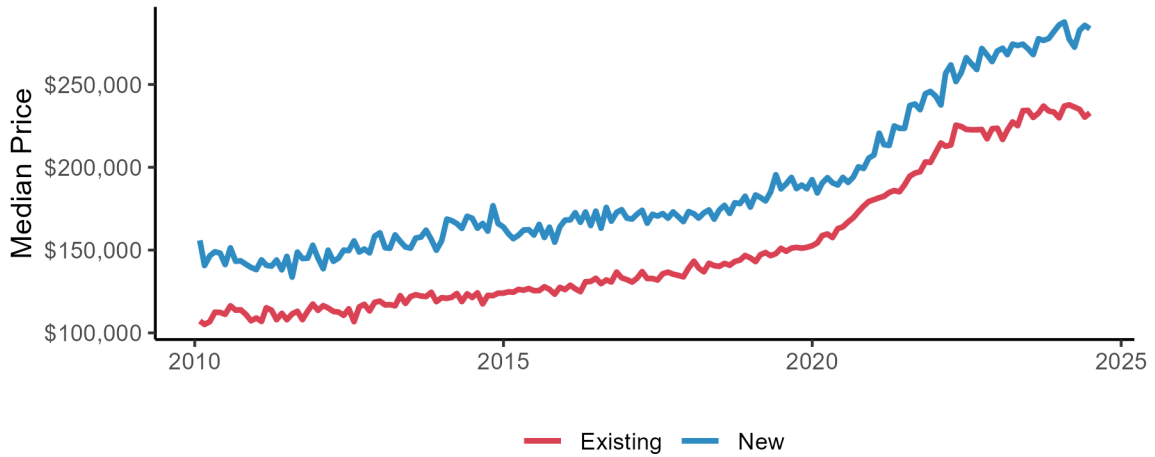
**Border Metro Single-Family Start Values**



Source: Dodge Construction Network - Texas Real Estate Research Center at Texas A&M University

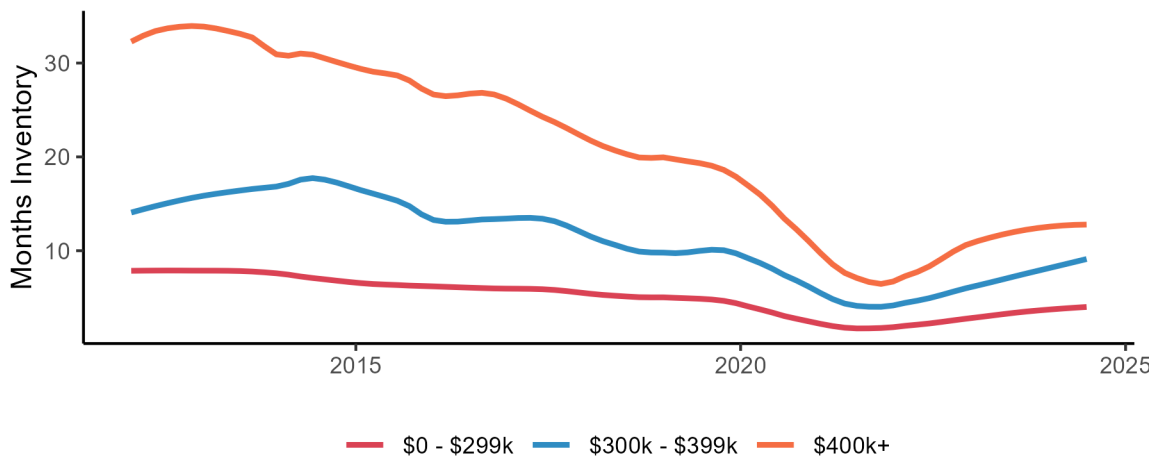
# Housing

**New and Existing Border Home Prices**  
Seasonally Adjusted Annualized Rate



Source: Texas Real Estate Research Center at Texas A&M University

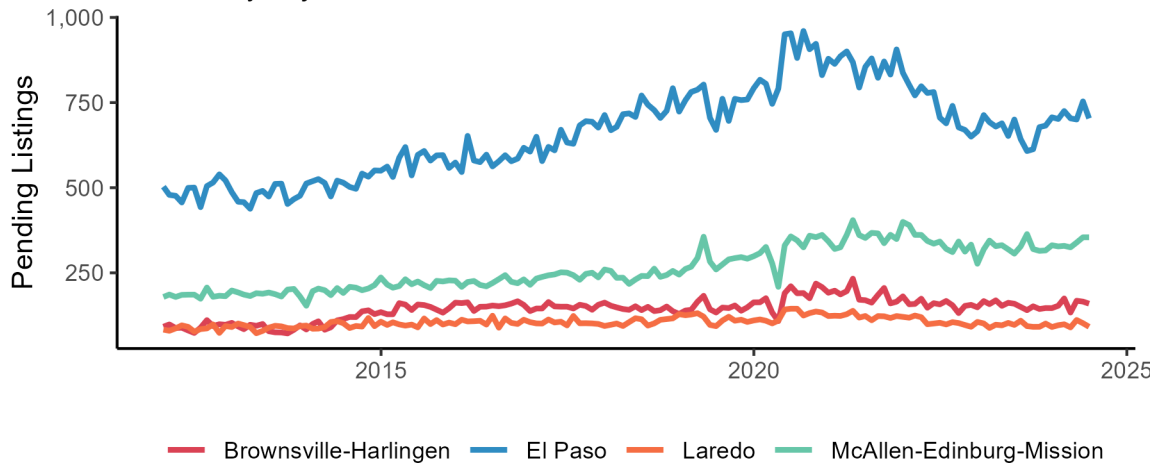
**Border Housing Inventory by Price Range**  
Seasonally Adjusted Trend



Source: Texas Real Estate Research Center at Texas A&M University

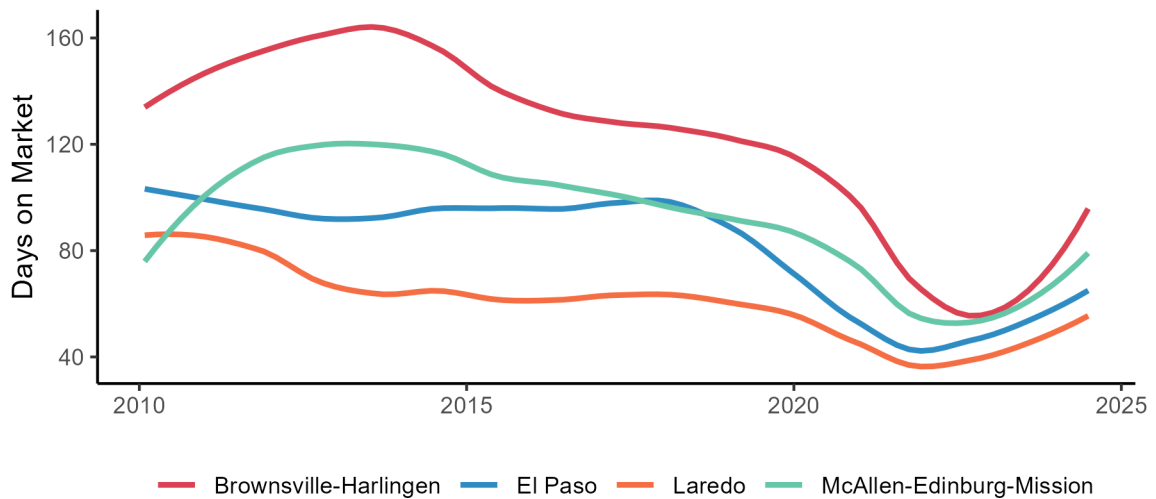
# Housing

**Border Metro Pending Listings**  
Seasonally Adjusted Annualized Rate



Source: Texas Real Estate Research Center at Texas A&M University

**Border Metro Days on Market Trend**

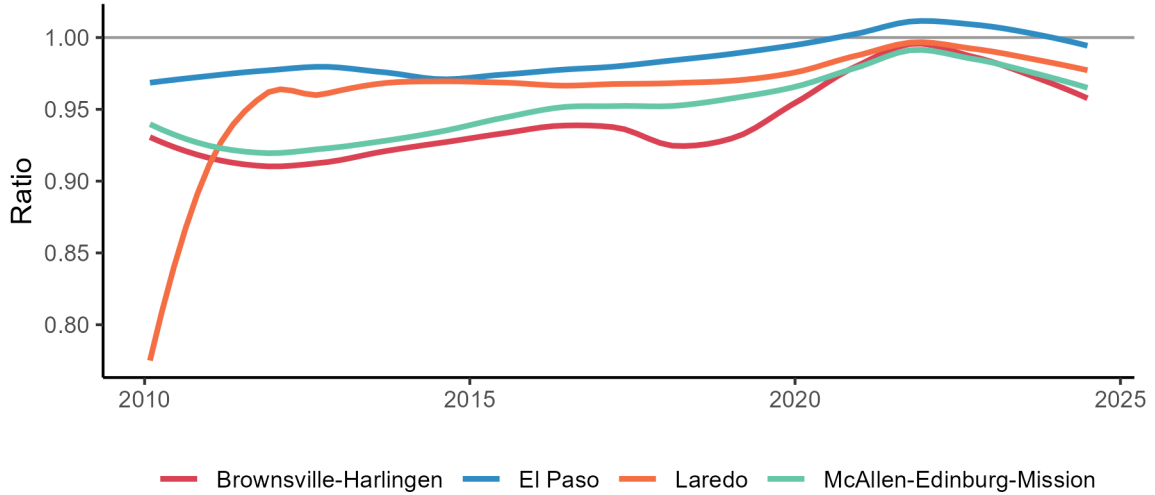


Source: Texas Real Estate Research Center at Texas A&M University



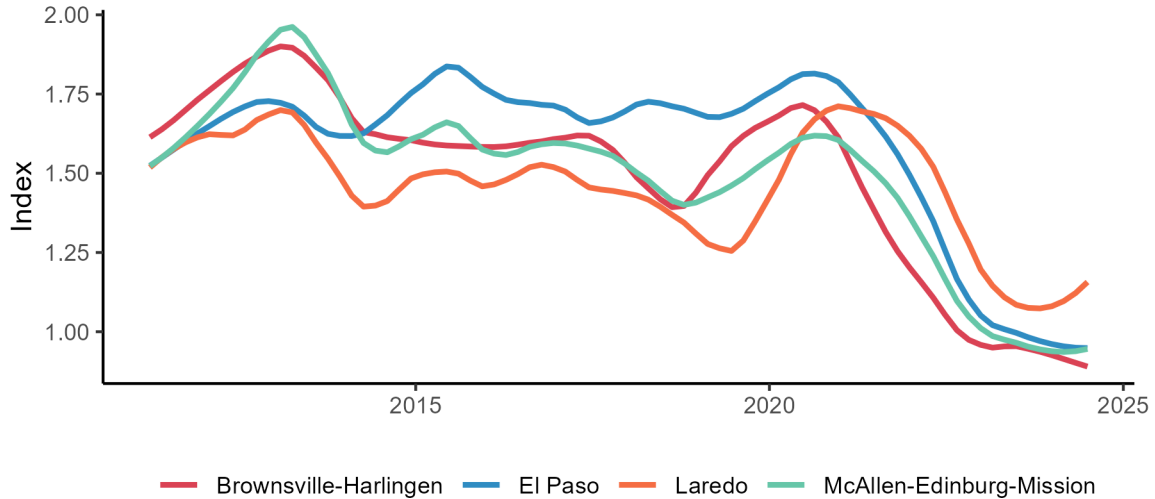
# Housing

### Border Metro Close to List Price Ratio Trend



Source: Texas Real Estate Research Center at Texas A&M University

### Border Housing Affordability Index



Source: Texas Real Estate Research Center at Texas A&M University



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