

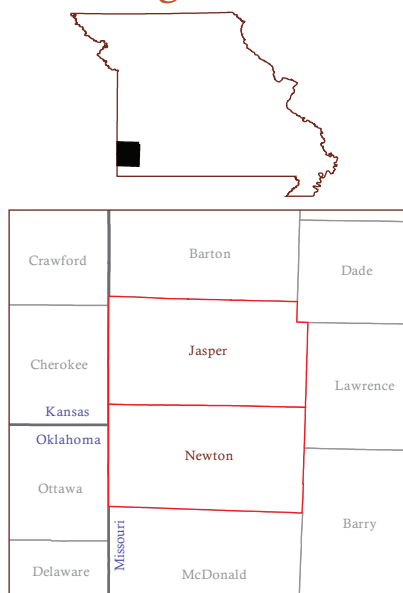


Joplin, Missouri

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of May 1, 2011

PD&R

Housing Market Area



The Joplin Housing Market Area (HMA), situated in the southwestern corner of Missouri on the border with Kansas and Oklahoma, is composed of Jasper and Newton Counties. An EF5 multiple-vortex tornado destroyed portions of the Joplin HMA on May 22, 2011. This report reflects economic and housing market conditions before the impact of the tornado. A followup report with a post-tornado analysis is forthcoming.

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Summary

Economy

Economic conditions in the Joplin HMA have declined during the past year. Covered payroll jobs for the 12 months ending March 2011 decreased by 750 jobs, or 1.3 percent, to 75,250 (see Table DP-1 at the end of this report). The unemployment rate for the same period remained relatively unchanged at 8.4 percent. During the 3-year forecast period, jobs in the HMA are estimated to increase by an average of 1.3 percent annually.

Sales Market

The sales housing market is soft, with an estimated overall vacancy rate of 2.4 percent. During the forecast period, demand is expected for 1,150 new homes (see Table 1). A portion of the 3,900 other vacant units may come back on the market and satisfy part of the demand.

Rental Market

The rental market is soft, with an estimated 8.7-percent vacancy rate,

which is down from the 9.1-percent rate recorded in April 2010. The average rent for an apartment in the HMA is \$560, which is unchanged from the previous year. Approximately 45 percent of the rental market consists of single-family homes. During the forecast period, demand is estimated for 130 new rental units. The 30 units currently under construction will meet some of this demand. (See Table 1.)

Table 1. Housing Demand in the Joplin HMA, 3-Year Forecast, May 1, 2011 to May 1, 2014

	Joplin HMA	
	Sales Units	Rental Units
Total Demand	1,150	130
Under Construction	10	30

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of May 1, 2011. A portion of the estimated 3,900 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

Economic Conditions

The economic downturn in the Joplin HMA that began in 2008 has not yet shown signs of a sustained recovery. During the 12 months ending March 2011, covered payroll jobs totaled 75,250, a decrease of 750 jobs, or 1.3 percent below the job level for the same period a year ago. Covered payrolls remain 3,650 jobs below the peak level of 78,900 jobs in 2008. Analyzing individual sectors of the economy, the largest percentage increase during the 12 months ending March 2011 occurred in the professional and business services sector, up 9.1 percent, or 550 jobs, to 6,525 jobs compared with the payrolls in that

sector during previous 12 months. Conversely, the largest losses in percentage terms during the past year were in the information sector, which declined by 44.6 percent, or 725 jobs, to 900 jobs. The manufacturing sector lost 200 jobs, or 1.6 percent, to 13,350 jobs during the 12 months ending March 2011, following a decline of 1,100 jobs, or 7.6 percent, that occurred during the previous 12 months (see Table 2). In 2008, numerous layoffs in the manufacturing sector, as reported by local news sources, included 150 employees at Leggett & Platt, Inc., and 50 employees at Renewable Environmental Solutions. La-Z-boy® Incorporated, Butterball, LLC, and Tamko Building Products, Inc., also had significant reductions in force during 2008. Since 2001, when manufacturing averaged 16,950 jobs, the sector has lost an average of about 3,800 jobs, or 2.5 percent, annually. Even with continued losses, the manufacturing sector is still the largest sector, representing 17.5 percent of total covered payrolls in the Joplin HMA as of the current date.

Joplin is the primary healthcare service center for a considerable geographical area, extending outside the HMA into the bordering states of Oklahoma and Kansas. The two largest private employers in the HMA are Freeman Health System and St. John's Regional Medical Center, which employ 3,400 and 2,600 people, respectively. In 2007, the Freeman West Hospital expanded with a six-floor addition; in 2008, Freeman Health System opened the Wes & Jan Houser Women's Pavilion. Table 3 provides a list of the largest employers in the HMA. During the 12 months ending March 2011, the education and health services sector increased to 11,750 jobs, up 200, or

Table 2. 12-Month Average Covered Payroll Jobs in the Joplin HMA, by Sector

	12 Months Ending March 2010	12 Months Ending March 2011	Percent Change
Total Covered Payroll Jobs	76,000	75,250	- 1.3
Goods Producing	16,550	16,100	- 2.8
Construction	2,525	2,250	- 10.9
Manufacturing	13,550	13,350	- 1.6
Natural Resources	490	510	4.9
Service Providing	50,350	49,800	- 1.2
Trade, Transportation, & Utilities	19,750	19,200	- 2.9
Information	1,625	900	- 44.6
Financial Activities	2,550	2,525	- 1.7
Professional & Business Services	5,975	6,525	9.1
Education & Health Services	11,550	11,750	2.0
Leisure & Hospitality	6,700	6,675	- 0.4
Other Services	2,225	2,225	0.6
Government	9,300	9,350	0.6

Notes: Based on 12-month averages through March 2010 and March 2011. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Joplin HMA

Name of Employer	Covered Payroll Sector	Number of Employees
Freeman Health System	Education & Health Services	3,400
St. John's Regional Medical Center	Education & Health Services	2,600
Con-Way Inc.	Trade, Transportation, & Utilities	2,600
Leggett & Platt, Inc.	Manufacturing	1,800
EaglePicher Technologies, LLC	Manufacturing	1,000
Wal-Mart Stores, Inc.	Trade, Transportation, & Utilities	900
AT&T Communications	Information	700
Missouri Southern State University	Government	700
Empire District Electric Company	Trade, Transportation, & Utilities	650

Note: Excludes local school districts.

Source: Joplin Economic Development

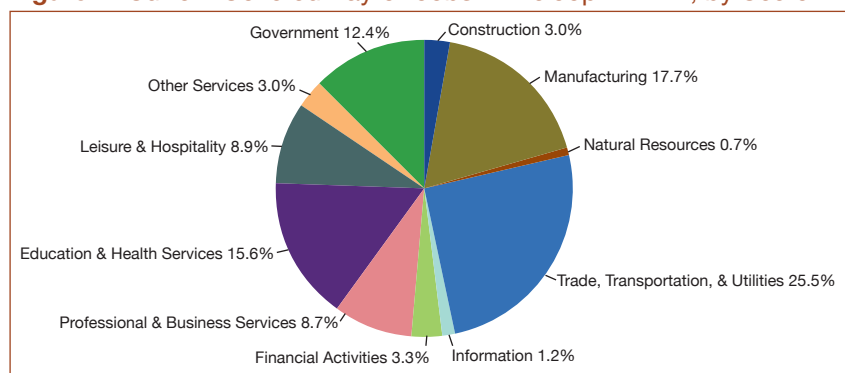
2 percent, compared with the number of jobs recorded in that sector during the previous 12 months; the sector currently represents 15.6 percent of total covered payrolls (see Figure 1).

Because of the economic downturn, the trade, transportation, and utilities sector lost 550 jobs, or 2.9 percent, during the 12 months ending March 2011. With the completion of Interstate 49 (I-49) in 2012, the importance of Joplin as a regional trucking hub

should grow. I-49 will connect New Orleans with Kansas City and should add jobs in trucking and retail as increased traffic expands economic activity in the area. Figure 2 shows the percentage change in covered payrolls by sector since 2001. The unemployment rate averaged 8.4 percent for the 12 months ending April 2011, relatively unchanged from the previous 12 months but well above the 5-percent annual average recorded from 2002 through 2007. See Figure 3 for labor force, resident employment, and unemployment trends in the HMA since 2000.

During the forecast period, covered payrolls are expected to increase by 1,050, or 1.3 percent, annually. Job growth is expected to increase every year of the forecast period as the economy begins to recover. The education and health services sector is expected to lead job growth during the forecast period.

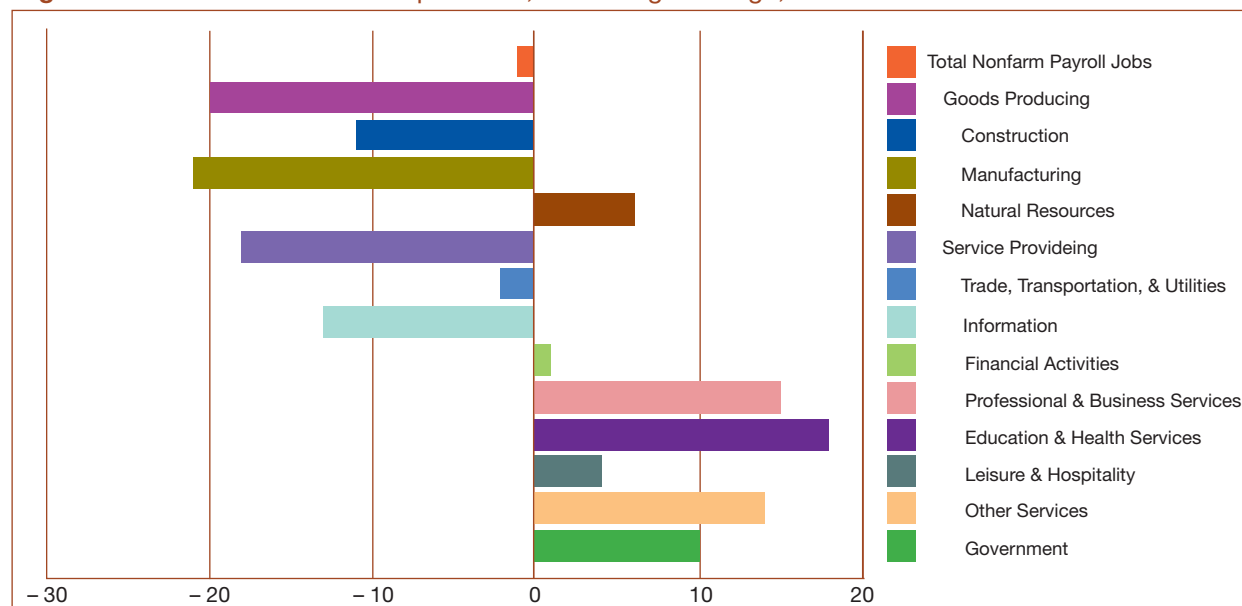
Figure 1. Current Covered Payroll Jobs in the Joplin HMA, by Sector



Note: Based on 12-month averages through March 2011.

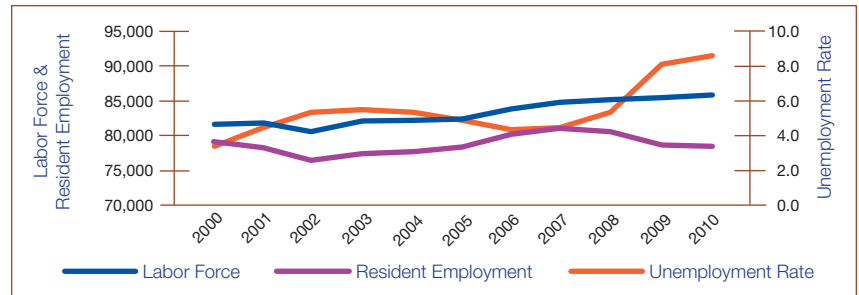
Source: U.S. Bureau of Labor Statistics

Figure 2. Sector Growth in the Joplin HMA, Percentage Change, 2000 to Current



Note: Current is based on 12-month averages through March 2011.

Source: U.S. Bureau of Labor Statistics

Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Joplin HMA, 2000 Through 2010

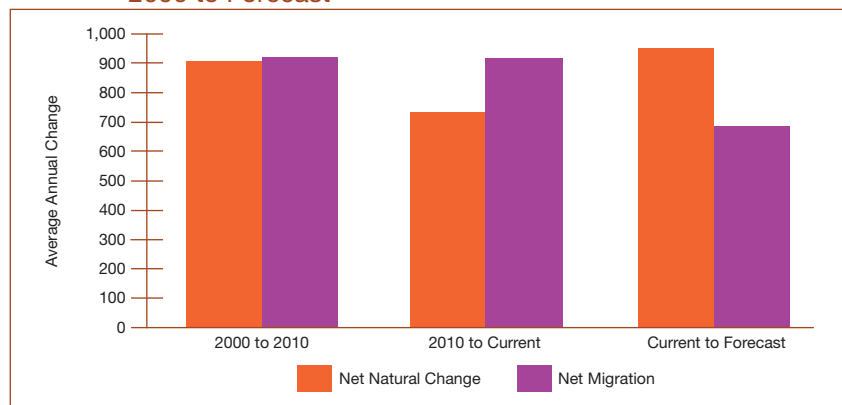
Source: U.S. Bureau of Labor Statistics

Population and Households

As of May 1, 2011, the population of the Joplin HMA was estimated at 177,300, an increase of approximately 1,650, or 0.9 percent, annually since the April 1, 2010 population of 175,518. Approximately two-thirds of the population resides in Jasper County. From 2000 to 2010, the population of the HMA grew by 1,825, or 1.1 percent, annually. Net natural change (resident births minus resident deaths) has remained steady since 2000. In-migration, however, slowed dramatically with the downturn in the economy (see Figure 4). From July 1, 2002, through July 1, 2007, net

in-migration averaged slightly less than 1,300 annually, or 57 percent of the population growth. Net in-migration slowed from July 1, 2007 through May 1, 2011, averaging 680 people annually, or 41 percent of the population growth. During the next 3 years, net natural change is expected to average 950 people annually and net in-migration will continue at 680 per year for a total estimated population growth rate of 1 percent, or about 1,625 people annually.

As of May 1, 2011, an estimated 68,200 households live in the HMA, including 45,800 owner households and 22,450 renter households. From 2000 to 2010, household growth averaged 610, or 1 percent, annually. Since 2010, growth has slowed, with household growth averaging 500, or 0.7 percent, a year. During the next 3 years, household growth is expected to continue at an average annual rate of 0.7 percent, or 500 households. Recently, the number of owner households has declined because of the economic downturn and tighter mortgage underwriting

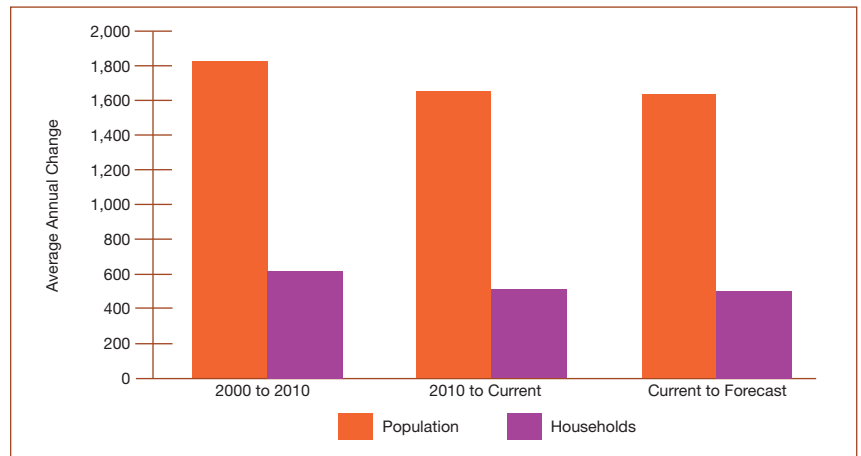
Figure 4. Components of Population Change in the Joplin HMA, 2000 to Forecast

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

standards. Following a national trend, more households are renting, which has resulted in the homeownership rate in the HMA declining from 70 percent in 2000 to about 67 percent

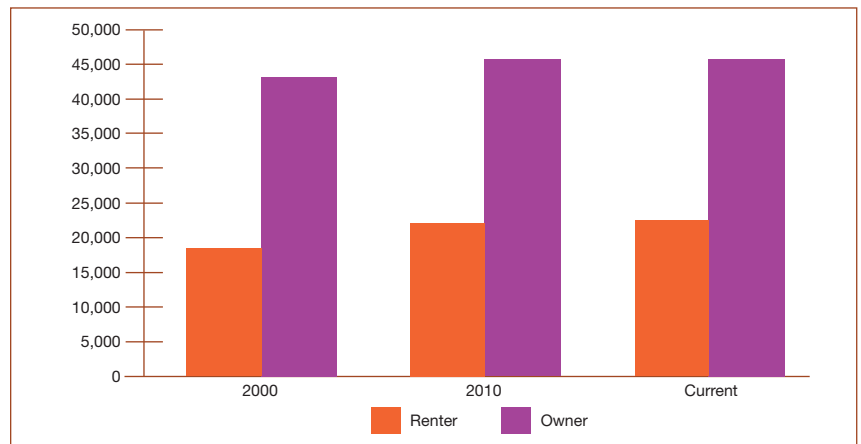
as of the current date. Figure 5 shows population and household growth and Figure 6 shows the number of households by tenure in the HMA since 2000.

Figure 5. Population and Household Growth in the Joplin HMA, 2000 to Forecast



Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 6. Number of Households by Tenure in the Joplin HMA, 2000 to Current



Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Sales Market

The sales housing market in the Joplin HMA is soft, with an estimated vacancy rate of 2.4 percent as of the current date, down slightly from the 2.5-percent vacancy rate reported in the 2010 Census. The volume of existing home sales has dropped sharply during the past year as the economic downturn and tightening credit standards have made obtaining mortgages more difficult. According to the most recent data available from Hanley Wood, LLC, the number of existing single-family home sales fell 30 percent from 1,725 homes during the 12 months ending April 2010 to 1,225 homes during the 12 months ending April 2011. Compared with the average of 2,700 homes sold annually during the peak years of 2005 through 2007, sales of existing homes are down 55 percent. During the 12 months ending April 2011, the average sales price of an existing single-family home was \$113,500, down \$8,875, or slightly less than 8 percent, from the sales price recorded in April 2010. According to LPS Applied Analytics, as of May 1, 2011, 18,150 mortgages were active in the HMA; of these, 950, or 5.2 percent, were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), which is an improvement from the 1,050 mortgages, or 5.9

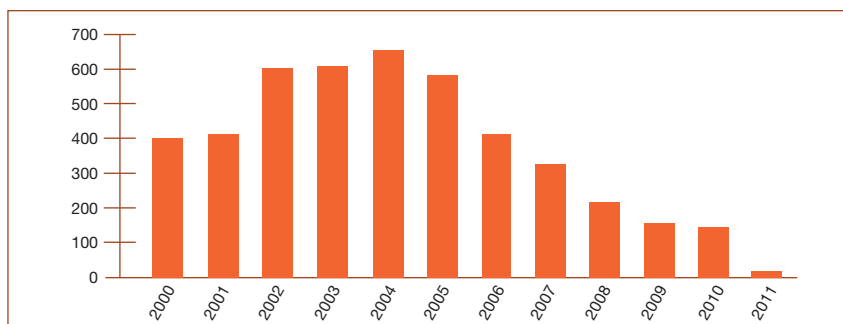
percent, that were in those three categories as of May 1, 2010.

According to Hanley Wood, LLC, the average price of a new single-family home constructed during the 12 months ending April 2011 was \$288,100, more than double the \$143,100 that was the average price for the 12 months ending April 2010. The average sales price during the 12 months of 2010 is skewed upwards because of the sale of several new homes in the \$600,000-to-\$1,000,000 price range that did not occur in 2009. For the first 4 months of 2011, the average sales price of a new single-family home was \$183,300.

Builders responded to the soft housing market conditions by reducing production levels during the past 4 years. During the 12 months ending April 2011, single-family home construction activity, as measured by the number of building permits issued, totaled approximately 50, down from about 60 permits issued during the previous 12 months, based on preliminary data. The level of new home construction is significantly lower than the average of 620 single-family home permits issued annually from 2002 through 2004 (see Figure 7). Currently, new home construction in the HMA is strongest in the city of Carl Junction in Jasper County and in the west end of the city of Joplin, which together account for more than 60 percent of new homes.

Demand is anticipated for 1,150 new homes in the HMA during the forecast period. Some of the estimated 3,900 other vacant units may meet a portion of that demand. Currently, vacant available homes will meet the demand in the first year of the forecast period.

Figure 7. Single-Family Building Permits Issued in the Joplin HMA, 2000 to 2011



Notes: Includes townhomes. Includes data through April 2011.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Housing Market Trends

Sales Market *Continued*

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Joplin HMA, May 1, 2011 to May 1, 2014

Price Range (\$)		Units of Demand	Percent of Total
From	To		
70,000	89,999	110	10.0
90,000	129,999	440	40.0
130,000	179,999	380	35.0
180,000	224,999	110	10.0
225,000	and higher	55	5.0

Note: The 10 homes currently under construction and a portion of the estimated 3,900 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

New single-family homes will need to be built in the second and third years of the forecast period to meet demand. Demand will be strongest for homes in the \$90,000-to-\$179,999 price range. Most of the new construction is anticipated in the northern area of Jasper County because this area has shown the most development recently. See Table 4 for demand estimates by price range for new single-family homes.

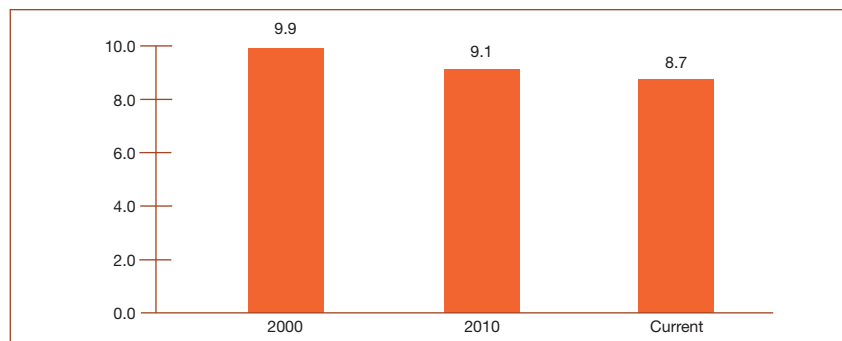
Rental Market

The rental housing market in the Joplin HMA is currently soft, but it is improving as the number of renter households increases. The rental vacancy rate was 8.7 percent in April 2011 compared with the April 2010 rate of 9.1 percent (see Figure 8). The average rent in the Joplin HMA is \$470, \$580, and \$650 for one-, two- and three-bedroom apartments, respectively, according to a local survey conducted by Missouri Southern State University. The overall average apartment rent in the HMA is \$560. The south side of Joplin has a large stock of single-family rental homes, many of which are more than 50 years old. Single-family and mobile-home rentals account for approximately 50 percent of the total rental stock in the HMA.

Enrollment at Missouri Southern State University has a strong effect on the rental housing market in the HMA, especially near the university. The university enrolls approximately 6,000 students, but the school has accommodations for only 700 students to live on campus. The large percentage of students living off campus causes the local apartment vacancy rate to fluctuate with the school's academic calendar because many students move out of the area for the summer months. A significant portion of apartments offer lease lengths that range from 6 to 12 months; some apartments offer 9-month leases to coincide with the school year.

The improvement in the rental market is partly because of the lack of new rental construction in the area since 2000. Based on preliminary data, during the 12 months ending April 2011, multifamily construction, as measured by the number of units permitted, totaled 35 units, up from 10 units recorded during the previous 12 months. During the 2000s, an average of 80 units were permitted annually; in 2005 and 2006, multifamily construction peaked, with

Figure 8. Rental Vacancy Rates in the Joplin HMA, 2000 to Current

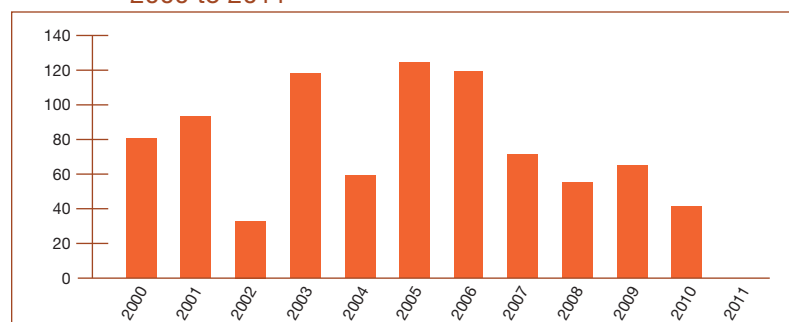


Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Rental Market *Continued*

Figure 9. Multifamily Building Permits Issued in the Joplin HMA, 2000 to 2011



Notes: Excludes townhomes. Includes data through April 2011.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Joplin HMA, May 1, 2011 to May 1, 2014

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
650 or more	45	750 or more	70	850 or more	15

Note: The 30 units currently under construction will satisfy some of the estimated demand.

Source: Estimates by analyst

an average of 120 units permitted annually (see Figure 9). Many of the apartment complexes built since 2000 have occupancy rates that approach 96 percent when the university is in session. Currently, 30 units are under construction in the HMA, including an expansion of 16 units at Royal Orleans Apartments.

Demand is anticipated for an additional 130 units during the forecast period. The 30 units under construction will meet some of this demand; the other 100 units will not be needed until the third year of the forecast period, after the current vacancies are absorbed. See Table 5 for demand estimates by number of bedrooms and monthly rent for new market-rate rental housing.

Data Profile

Table DP-1. Joplin HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Resident Employment	79,106	78,491	79,250	- 0.1	2.9
Unemployment Rate	3.3%	8.6%	8.4%		
Covered Payroll Jobs	76,600	75,232	75,250	- 0.2	0.1
Total Population	157,322	175,518	177,300	1.1	0.9
Total Households	61,552	67,660	68,250	1.0	0.8
Owner Households	43,155	45,592	45,800	0.6	0.4
Percent Owner	70.1%	67.4%	67.1%		
Renter Households	18,397	22,068	22,450	1.8	1.6
Percent Renter	29.9%	32.6%	32.9%		
Total Housing Units	67,468	74,981	75,350	1.1	0.5
Owner Vacancy Rate	2.9%	2.5%	2.4%		
Rental Vacancy Rate	9.9%	9.1%	8.7%		
Median Family Income	\$38,000	\$47,900	\$48,100	2.3	0.4

Notes: Covered employment represents annual averages for 2001, 2010, and the 12 months through March 2011. Resident employment and unemployment rates represent annual averages for 2000, 2010, and the 12 months through April 2011. Median family incomes are for 1999, 2009, and 2010.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census

2010: 4/1/2010—U.S. Decennial Census

Current date: 5/1/2011—Analyst's estimates

Forecast period: 5/1/2011–5/1/2014—Analyst's estimates

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In HUD's analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

An EF5 multiple-vortex tornado touched down in the Joplin Metropolitan Statistical Area on

May 22, 2011. The storm resulted in the death of 162 people and an expected insurance payout of \$2.2 billion. Tornado damage to infrastructure, commercial buildings, and residential housing units significantly impacted the economy and housing markets of the metropolitan area. The current statistical data used in the analysis has an as-of date of May 1, 2011, and excludes the impact of the tornado.

For additional data pertaining to the housing market for this HMA, go to http://www.huduser.org/publications/pdf/CMARtables_JoplinMO_12.pdf.

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This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to www.huduser.org/publications/econdev/mkt_analysis.html.