Quick Facts About Jackson

- Current sales market conditions: balanced.
- Current rental market conditions: soft.
- The city of Canton is home to one of the three Nissan North America, Inc., manufacturing plants in the nation, which employs approximately 5,600 workers.

Overview

The Jackson metropolitan area, in central Mississippi, consists of Copiah, Hinds, Madison, Rankin, Simpson, and Yazoo Counties. The metropolitan area is home to The University of Mississippi Medical Center, a branch of The University of Mississippi system (colloquially known as Ole Miss). The medical center has an estimated economic impact of approximately $2.1 billion on the state (Jackson Free Press).

- The city of Jackson, in Hinds County, is the state capital and the most populous city in Mississippi, with an estimated population of 581,800 as of December 1, 2013, representing an increase of 3,950, or 0.7 percent, annually since April 2010.
- Population growth averaged 3,150 people annually from 2000 through 2006 but, as a result of job losses and declining net in-migration, slowed to an average of 2,300 people a year from 2007 through 2010.
- Net in-migration has accounted for approximately 23 percent of the population growth since 2010, down from 38 percent during the peak years of 2000 through 2006 but more than the 8 percent recorded from 2007 through 2009, when economic conditions were declining.
Economic Conditions

Economic conditions in the Jackson metropolitan area gradually improved during the past 4 years after declines during 2008 and 2009.

During the 3 months ending November 2013—

- Nonfarm payrolls averaged 260,500 jobs, reflecting an increase of 1,300 jobs, or 0.5 percent, from the same 3-month period a year earlier.
- The professional and business services sector led growth with an increase of 2,100 jobs, or 6.7 percent, and the education and health services and the leisure and hospitality sectors increased 1.8 percent each, or by 700 and 400 jobs, respectively.
- The average unemployment rate was 6.7 percent, slightly down from 6.9 percent during the same 3-month period a year ago.

Nissan North America, Inc., the third largest employer in the metropolitan area, began construction in 2013 on a new supplier park at the Canton vehicle assembly plant. The project is expected to create 400 jobs by 2015 in addition to the 400 supplier jobs newly created since the summer of 2013.
Sales Market Conditions

The overall sales housing market in the Jackson metropolitan area is balanced, with an estimated vacancy rate of 2.0 percent, down from 2.2 percent in April 2010. During the 12 months ending October 2013, existing home sales totaled 1,500, a decrease of 50 homes, or 3 percent, from the same 12-month period a year earlier (CoreLogic, Inc.). During the same period, the average existing home sales price was $253,500, an increase of 22 percent. New home sales totaled 250 during the 12 months ending October 2013, relatively unchanged from the previous 12 months (CoreLogic, Inc.). The average new home sales price was $267,200, relatively unchanged from a year earlier.

Sales prices for existing homes in the Jackson area have increased sharply since the beginning of 2012.

- Existing home sales averaged 4,525 annually from 2009 through 2011, when more distressed homes sold.
- The percentage of mortgage loans in the metropolitan area that were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned) decreased slightly, from 6.4 percent in November 2012 to 6.0 percent in November 2013, and remained less than the rates in Mississippi, at 7.6 percent, and the nation, at 6.6 percent (Black Knight Financial Services, Inc.).
- Investment purchases accounted for approximately 22 percent of total sales in the metropolitan area compared with more than 45 percent of total sales nationally during the 12 months ending November 2013 (Metrostudy, A Hanley Wood Company).

Note: Includes single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc.

The distressed mortgage rate in the Jackson area has remained consistently less than the state and national averages.

- New home sales in the Jackson area fluctuated during 2013, and existing home sales were stagnant.

Note: Includes single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc.

Single-family permitting activity in the Jackson area was approximately one-half of the annual average from 2000 through 2005.

Note: Includes preliminary data from January 2013 through November 2013.
Source: U.S. Census Bureau, Building Permits Survey
Single-family home construction activity, as measured by the number of homes permitted, has increased steadily since 2011.

- During the 12 months ending November 2013, approximately 1,525 single-family homes were permitted (preliminary data), an increase of 17 percent compared with the 1,300 single-family homes permitted during the same period a year earlier.

- An average of 1,200 homes were permitted annually during the corresponding 12-month periods in 2010 and 2011. Ironwood Plantation, a luxury subdivision in Madison (one of the most active cities for new home sales in the metropolitan area), has approximately 30 lots available for sale and homes priced in the $390,000-to-$500,000 range.

Rental Market Conditions

Although overall rental housing market conditions in the Jackson metropolitan area are soft, conditions in the apartment market are balanced. A cutback in apartment construction since 2008 has led to decreasing vacancies and increasing rents since the end of 2009.

- As of December 1, 2013, the estimated overall rental vacancy rate, including apartments, single-family homes, and other rental units, was 8.8 percent, down from 9.5 percent in April 2010.

- The apartment vacancy rate for the metropolitan area decreased in the third quarter of 2013, to 6.2 percent, from 7.4 percent in the third quarter of 2012; the apartment vacancy rate peaked at 11.5 percent during the third quarter of 2009 (Reis, Inc.).

- The average asking rent increased 2.9 percent, to $720, during the third quarter of 2013. By comparison, average asking rents increased 1.5 percent annually, to $690, from the third quarter of 2009 to the third quarter of 2011.

Limited production in the Jackson area has led to a tightening apartment market and increasing rents.

Since 2005, multifamily permitting has been low in the Jackson area despite a tightening apartment market.

Note: Includes preliminary data from January 2013 through November 2013. Source: U.S. Census Bureau, Building Permits Survey.