Joplin, Missouri

The Joplin metropolitan area, in the southwest corner of Missouri, includes Jasper and Newton Counties. On May 22, 2011, an EF-5 tornado destroyed portions of the metropolitan area. The storm damaged or destroyed approximately 7,500 housing units, or approximately 10 percent of all housing units in the metropolitan area, and caused $3 billion in damage, including severe damage at St. John’s Regional Medical Center and Joplin High School. In the year immediately after the tornado, the city of Joplin issued building permits totaling more than $635 million in construction costs, which is $500 million more than in the previous record year of 2007, when permits totaled $128 million in construction costs, and much greater than the $45 million average since 2009. This total includes $270 million for the new Sisters of Mercy Health Systems hospital that replaced the St. John’s Regional Medical Center but does not include the estimated $185 million in building costs for the Joplin School District.

As of October 1, 2012, the population of the metropolitan area was estimated at 178,000, an increase of 990, or 0.6 percent, annually since April 2010. By comparison, the population increased by 2,225, or nearly 1.4 percent, annually from 2002 through 2007 and slowed to an increase of 1,550, or 0.9 percent, annually from 2008 through 2010. Net in-migration averaged 1,325 people a year from 2002 through 2007 but slowed to average 410 people a year from 2008 through 2010. Since 2010, net in-migration has averaged 150 people annually because the effects of the tornado have limited the ability of people to move to the metropolitan area. An estimated 67,700 households currently reside in the metropolitan area, essentially unchanged since April 2010. Despite population growth, the number of households did not increase because the tornado reduced the number of available housing units and forced residents to move into the homes of friends and relatives. After the tornado, the Federal Emergency Management Agency provided 586 temporary housing units for households displaced by the tornado, as of September 1, 2012, however, only 200 of those units remain.

The economy in the Joplin metropolitan area improved during the past year. More than 400 businesses, or slightly more than 5 percent of the 7,600 total businesses in metropolitan area, were either damaged or destroyed by the tornado. As those businesses reopened, employment in the area improved. Nonfarm payrolls during the 3 months ending August 2012 were up by 2,800 jobs, or 3.6 percent, to an average of 81,000 compared with the number of jobs recorded during the 3 months ending August 2011. The rebuilding efforts are responsible for part of this increase in employment. According to the Quarterly Census of Employment and Wages, average employment in the construction subsector during the 3 months ending March 2012, the latest data available, increased by 525 jobs, or nearly 25 percent, to 2,600 jobs compared with the number of jobs during the 3 months ending March 2011. The average weekly wage for construction workers during the first quarter of 2012 was $710, up $90, or 14 percent, from the first quarter of 2011. As outside contractors came to the metropolitan area to assist with the rebuilding effort, demand for local hotels and restaurants increased. During the 3 months ending March 2012, employment in the leisure and hospitality sector increased by 240 jobs, or 3.6 percent, to 6,725 jobs compared with the number of jobs recorded during the 3 months ending March 2011. (This report uses 3-month rather than 12-month averages because they more accurately illustrate the recovery in the metropolitan area.)

The Joplin metropolitan area is the main healthcare service center for a considerable geographical area, extending outside the metropolitan area into the bordering states of Oklahoma and Kansas. As such, two of the largest employers are Freeman Health System and Sisters of Mercy Health Systems, with 3,400 and 2,600 employees, respectively. The metropolitan area is also a major trucking hub; Con-way Inc., a trucking company, is the third largest employer, with 2,600 employees.

As of October 1, 2012, the sales housing market in the Joplin metropolitan area was tight, with an estimated sales vacancy rate of less than 1 percent. Construction of new homes has been robust in the metropolitan area since the tornado, which destroyed approximately 2,200 owner-occupied, single-family homes and damaged another 2,000. According to data from the city of Joplin, 946 single-family homes have been permitted since the tornado, 682 in the area where most of the tornado damage occurred, which the Army Corps of Engineers calls the Expedited Debris Removal (EDR) area. Of the 946 single-family homes permitted, 591 have been inspected for occupancy, approximately 435 of which are in the EDR. According to data from the city of Joplin, approximately 47 percent of the housing stock in the EDR was constructed before 1960, and more than 21 percent was constructed before 1940. Many of those older housing units no longer had mortgages and, as such, the owners...
were not required to carry homeowners insurance. The lack of insurance may cause some former owner households to become renters because they lack the means to purchase a new home.

The rental housing market in the Joplin metropolitan area is very tight, because the tornado destroyed an estimated 1,800 rental units, including single-family rentals, and damaged another 1,500 units. The current rental vacancy rate is estimated at less than 1 percent, down significantly from 9.1 percent in April 2010. The tightening of the rental market led to an increase in rents.

As of September 1, 2012, the average rent in the metropolitan area was $670, an increase of $120, or nearly 22 percent, since May 2011. According to 2010 American Community Survey 1-year data, more than 53 percent of all renter households in the metropolitan area were in single-family homes. Recently, many apartments completed reconstruction. Mercy Village, a 66-unit affordable housing development for seniors, reopened on February 21, 2012. The 1502 Michigan Place apartment complex, with 138 units, also reopened recently. Another 620 units are scheduled to open by the end of 2012 and 375 by the spring of 2013.