

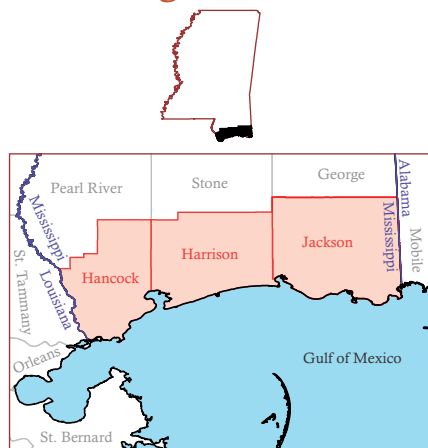


Gulfport-Biloxi-Pascagoula, Mississippi

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of September 1, 2016



Housing Market Area



The Gulfport-Biloxi-Pascagoula Housing Market Area (HMA), located on the Mississippi Gulf Coast, is coterminous with the Gulfport-Biloxi-Pascagoula, MS Metropolitan Statistical Area (MSA) and consists of Hancock, Harrison, and Jackson Counties. The HMA has a current estimated population of 393,500 and is home to Keesler Air Force Base (AFB) and John C. Stennis Space Center. The HMA is a hub for tourism and shipbuilding.

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Summary

Economy

The economy of the Gulfport-Biloxi-Pascagoula HMA has been recovering since Hurricane Katrina devastated the HMA in 2005, but nonfarm payrolls remain below the peak of 166,000 jobs in 2000. During the 12 months ending August 2016, total nonfarm payrolls in the HMA grew by 400 jobs, or 0.3 percent, to 153,700 jobs. During the 3-year forecast period, nonfarm payrolls are expected to increase at an average annual rate of 3,400 jobs, or 2.2 percent.

Sales Market

The sales housing market in the HMA is slightly soft but improving, with an estimated vacancy rate of 2.9 percent, down from 3.6 percent in April 2010. During the forecast period, employment and population gains are expected to support demand for 2,775 new homes (Table 1). The 500 homes currently under construction and a portion of the 12,950 other vacant units in the HMA that may reenter the market will satisfy some of the demand.

Rental Market

The rental housing market in the HMA is soft, with an estimated overall rental vacancy rate of 11.0 percent, down from 19.7 percent in April 2010. The apartment market is slightly soft, with an apartment vacancy rate of 8.7 percent as of September 1, 2016, down from 9.1 percent a year ago (ALN Apartment Data, Inc.). During the forecast period, demand is expected for 1,350 new market-rate units (Table 1). The 300 units currently under construction and current excess vacancies will satisfy next year's demand.

Table 1. Housing Demand in the Gulfport HMA* During the Forecast Period

	Gulfport HMA*	
	Sales Units	Rental Units
Total demand	2,775	1,350
Under construction	500	300

* Gulfport-Biloxi-Pascagoula HMA.

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of September 1, 2016. A portion of the estimated 12,950 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is September 1, 2016, to September 1, 2019.

Source: Estimates by analyst

On August 29, 2005, Hurricane Katrina made final landfall along the Louisiana-Mississippi line before travelling north through the entire state of Mississippi. The Gulfport-Biloxi-Pascagoula HMA has largely recovered, although reconstruction is ongoing in downtown Biloxi. The hurricane caused \$81 billion in damage to the mainland United States, primarily along the Louisiana and Mississippi Gulf Coasts (National Hurricane Center). Approximately 8,600 owner-occupied and 5,650 renter-occupied dwellings in the HMA

along the Mississippi Gulf Coast were severely damaged or destroyed by the storm, and another 121,800 residential units in the HMA received at least minor damage (Federal Emergency Management Agency [FEMA]). A significant portion of the population was displaced, although most has subsequently returned.

Although nonfarm payrolls in the HMA have fluctuated from year to year, they have increased minimally since 2011 by an average of 300 jobs, or 0.2 percent, annually. During the 12 months ending August 2016, total nonfarm payrolls in the HMA grew by 400, or 0.3 percent, to 153,700 jobs (Table 2). Gains in the leisure and hospitality sector contributed to the modest gains. Despite the gains, nonfarm payrolls remain 7.4 percent below the peak of 166,000 jobs in 2000. During the 12 months ending August 2016, the unemployment rate averaged 6.3 percent, down from 6.6 percent a year ago. By comparison, from 2012 through 2015, the unemployment rate averaged 7.7 percent. Figure 1 shows the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2015.

From 2001 through 2002, nonfarm payrolls declined by an average of 2,800 jobs, or 1.7 percent, annually in response to the national recession in 2001. Losses were greatest in the manufacturing sector, which contracted by an average of 2,400, or 10.2 percent, annually partly because of the closure of International Paper's mill in the city of Moss Point in 2001. From 2003 through 2004, nonfarm payrolls in the HMA were flat because of offsetting gains and losses in different sectors. The mining, logging,

Table 2. 12-Month Average Nonfarm Payroll Jobs in the Gulfport HMA,* by Sector

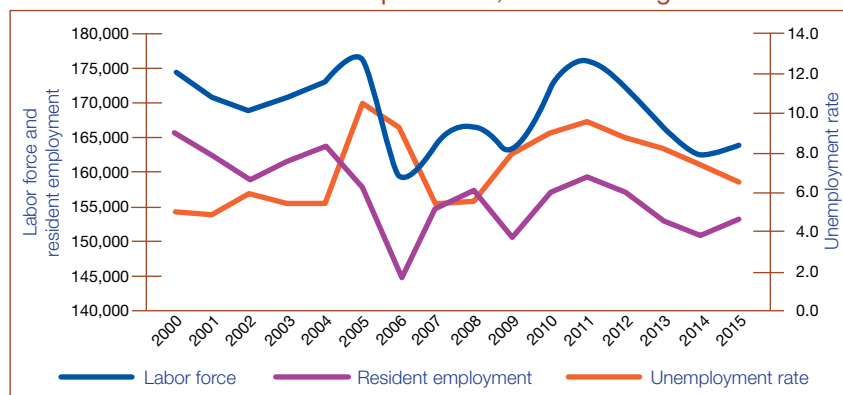
	12 Months Ending		Absolute Change	Percent Change
	August 2015	August 2016		
Total nonfarm payroll jobs	153,300	153,700	400	0.3
Goods-producing sectors	27,800	27,100	-700	-2.5
Mining, logging, & construction	8,700	8,400	-300	-3.4
Manufacturing	19,100	18,700	-400	-2.1
Service-providing sectors	125,500	126,500	1,000	0.8
Wholesale & retail trade	19,900	20,200	300	1.5
Transportation & utilities	4,400	4,300	-100	-2.3
Information	1,600	1,600	0	0.0
Financial activities	5,200	5,200	0	0.0
Professional & business services	15,700	14,500	-1,200	-7.6
Education & health services	12,400	12,700	300	2.4
Leisure & hospitality	28,000	29,000	1,000	3.6
Other services	5,300	5,200	-100	-1.9
Government	33,100	33,700	600	1.8

* Gulfport-Biloxi-Pascagoula HMA.

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through August 2015 and August 2016.

Source: U.S. Bureau of Labor Statistics

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Gulfport HMA,* 2000 Through 2015



* Gulfport-Biloxi-Pascagoula HMA.

Source: U.S. Bureau of Labor Statistics

and construction sector lost 1,100 jobs, or 12.9 percent, annually, which was partially offset by gains in the manufacturing sector, up an average of 700 jobs, or 3.5 percent, annually. From 2005 through 2006, nonfarm payrolls declined by an average of 6,400 jobs, or 4.1 percent, annually in the aftermath of Hurricane Katrina. Losses were concentrated in the service-providing sectors, partly because of high levels of out-migration following Hurricane Katrina. Losses were greatest in the leisure and hospitality sector, down by an average of 5,900 jobs, or 19.4 percent, annually, partly resulting from the destruction of beachfront casinos and hotels. The damage caused by Hurricane Katrina led to cutbacks in military personnel levels at Keesler AFB, one of the two largest employers in the HMA (Table 3), from 6,925 on September 30, 2004, to approximately 4,200 by 2012. Despite the losses, some sectors recorded gains from 2005 through 2006. The mining, logging, and construction sector gained an average of 2,000 jobs, or 26.1 percent, annually because of the reconstruction efforts coupled with strength in the oil and gas industry. During that period, the price of West Texas Intermediate crude oil increased by an average

of \$8.75 per barrel, or 18 percent, annually to \$60.85 per barrel, which contributed to strength in the oil and gas industry in the sector.

After Hurricane Katrina's destruction, from 2007 through 2008, nonfarm payrolls increased by an average of 6,400, or 4.3 percent, annually as residents returned to the HMA. Gains occurred in most sectors, led by the leisure and hospitality sector, which increased by an average of 2,700 jobs, or 11.6 percent, annually, resulting from the reopening of many beachfront casinos. The 318-room Hard Rock Hotel and Casino Biloxi reopened in June 2007, contributing an unspecified number of jobs to the sector. As in-migration and reconstruction slowed, from 2009 through 2012, nonfarm payrolls declined by an average of 2,100, or 1.3 percent, annually. Job losses were greatest in the manufacturing and the mining, logging, and construction sectors, which lost an average of 800 and 700 jobs, or 3.8 and 7.1 percent, annually. On April 20, 2010, the Deepwater Horizon oil spill began, resulting in a drilling moratorium and a temporary fishing ban in the Gulf of Mexico, negatively impacting employment in the HMA. More recently, from 2012 through 2015, nonfarm payrolls increased, posting gains averaging 400 jobs, or 0.3 percent, annually. Gains were led by the leisure and hospitality sector, which increased by 400 jobs, or 1.4 percent. The manufacturing sector also recorded gains averaging 200 jobs, or 1.1 percent. In August 2014, Chevron U.S.A., Inc., the third-largest employer in the HMA, opened a \$1.4 billion premium base oil plant that contributed 30 permanent jobs to the manufacturing sector. In 2014, Huntington Ingalls Industries Inc.,

Table 3. Major Employers in the Gulfport HMA*

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Huntington Ingalls Industries Inc.	Manufacturing	11,300
Keesler Air Force Base	Government	11,300
Chevron Corporation	Manufacturing	3,500
Memorial Hospital at Gulfport	Government	3,325
Naval Construction Battalion Center Gulfport	Government	3,300
MGM Resorts International	Leisure & hospitality	2,925
Singing River Health System	Government	2,300
VT Halter Marine	Manufacturing	1,700
Gulf Coast Veterans Health Care System	Government	1,600
IP Casino Resort Spa	Leisure & hospitality	1,500

* Gulfport-Biloxi-Pascagoula HMA.

Notes: Excludes local school districts. Data include military personnel, who generally are not included in nonfarm payroll survey data.

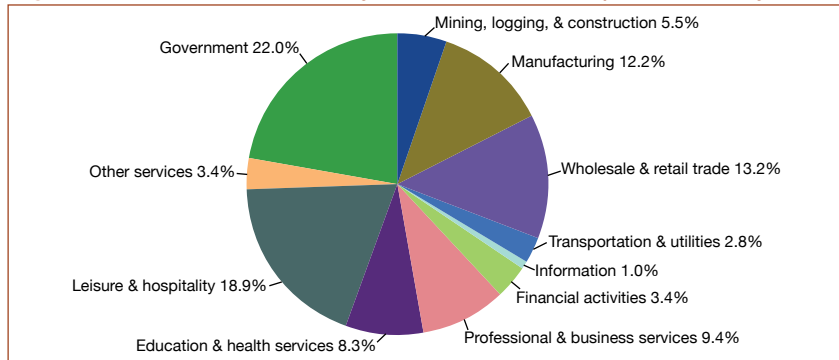
Source: Harrison County Development Corporation

one of the two largest employers in the HMA, began construction of the Arleigh Burke-class destroyer USS *Paul Ignatius*, contributing an unspecified number of jobs to the manufacturing sector.

Although nonfarm payrolls increased during the 12 months ending August 2016, the gains were not evenly distributed among the various sectors. During the period, five sectors lost jobs, four sectors gained jobs, and two sectors remained unchanged. The leisure and hospitality sector led job

growth, increasing by 1,000 jobs, or 3.6 percent. The \$100 million Margaritaville Resort Biloxi contributed 600 jobs to the sector when it opened in April 2016. Although the sector has contracted by 15 percent since 2000, it remains the second largest sector in the HMA, with 18.9 percent of nonfarm payrolls (Figure 2). Also during the past 12 months, the government sector, the largest sector in the HMA, gained 600 jobs, or 1.8 percent. The education and health services and the wholesale and retail trade sectors also recorded growth during the past 12 months, each increasing by 300 jobs, or 2.4 and 1.5 percent, respectively. Since 2000, the education and health services sector has grown more than any other sector, increasing 34 percent (Figure 3). Offsetting the gains, several sectors contracted during the 12 months ending August 2016. The professional and business services sector decreased more than any other sector, with losses of 1,200 jobs, or 7.6 percent. The manufacturing sector lost 400 jobs, or 2.1 percent. The

Figure 2. Current Nonfarm Payroll Jobs in the Gulfport HMA,* by Sector

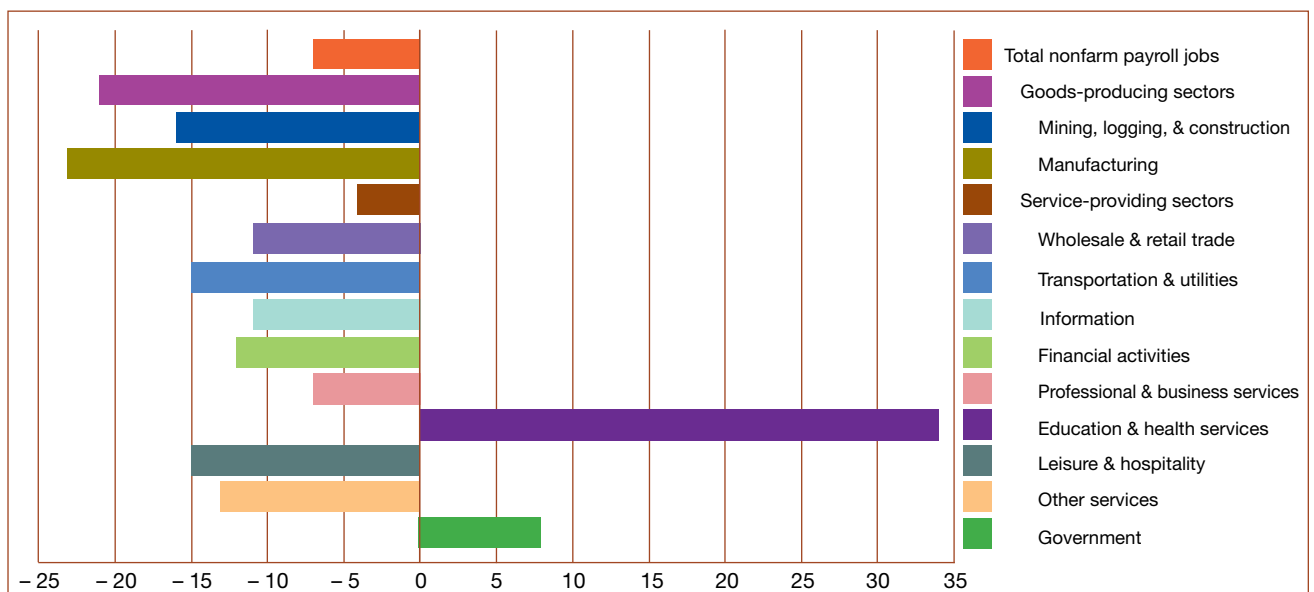


* Gulfport-Biloxi-Pascagoula HMA.

Note: Based on 12-month averages through August 2016.

Source: U.S. Bureau of Labor Statistics

Figure 3. Sector Growth in the Gulfport HMA,* Percentage Change, 2000 to Current



* Gulfport-Biloxi-Pascagoula HMA.

Note: Current is based on 12-month averages through August 2016.

Source: U.S. Bureau of Labor Statistics

mining, logging, and construction sector contracted by 300 jobs, or 3.4 percent, because of weakness in the oil and gas industry. During the past 24 months, the price for West Texas Intermediate crude oil has declined by an average of \$24.02 per barrel, or 30 percent, annually to \$45.18 per barrel, which negatively impacted the oil and gas industry.

During the 3-year forecast period, non-farm payrolls are expected to increase at an average annual rate of 3,400 jobs, or 2.2 percent, partly because of job gains in the shipbuilding industry. In September 2017, ship manufacturer TopShip, LLC, is expected to begin

construction of a shipyard on the inland port in the city of Gulfport. The \$68 million investment is expected to create 1,000 permanent jobs at an unannounced future date, with 700 jobs expected to be created by 2020. The leisure and hospitality sector is also expected to continue to grow. Island View Casino is planning a second casino on the south side of Highway 90 in the city of Gulfport, with construction expected to start in early 2017, which will contribute jobs to the leisure and hospitality sector. The number of jobs to be created and the completion date have not been announced.

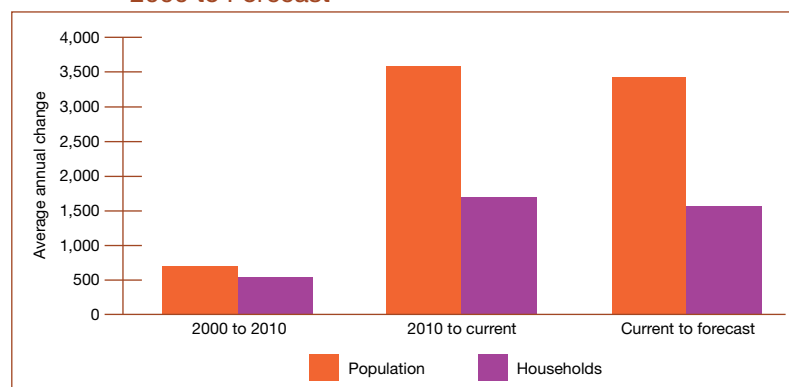
Population and Households

As of September 1, 2016, the population of the Gulfport-Biloxi-Pascagoula HMA is estimated at 393,500, reflecting an average annual increase of 3,550, or 0.9 percent, from 370,702 on April 1, 2010. By comparison, from 2000 to 2010, the population increased by an average of 670, or 0.2 percent, annually. During the previous decade, the population grew at a moderate rate until 2005, when Hurricane Katrina impacted the HMA and caused out-migration. From 2000 to 2005, a period of generally declining or stagnant job growth, the population grew by an average of 3,700, or 1.0 percent, annually (U.S. Census Bureau, July 1 estimates). Growth was subdued because of losses in nonfarm payrolls during the first part of the period. Net in-migration accounted for nearly one-half of the growth from 2000 to 2005, averaging 1,800

people annually, while net natural change averaged 1,900 people annually. From 2005 to 2006, the population decreased by 36,150, or 9.4 percent, because of net out-migration totaling 37,400 people, caused by Hurricane Katrina. Hurricane Katrina severely damaged or destroyed 14,250 occupied housing units, or approximately 9 percent of the housing inventory in the HMA, forcing residents to relocate (FEMA). During the period, net natural change totaled 1,250 people. The period from 2006 to 2009 was a time when residents and jobs returned to the HMA, because housing and workplaces were rebuilt. During that period, the population increased by an average of 6,775, or 1.9 percent, annually. Net in-migration accounted for 68 percent of the growth, averaging 4,575 people annually, while net natural change averaged 2,200 people

Population and Households *Continued*

Figure 4. Population and Household Growth in the Gulfport HMA,* 2000 to Forecast

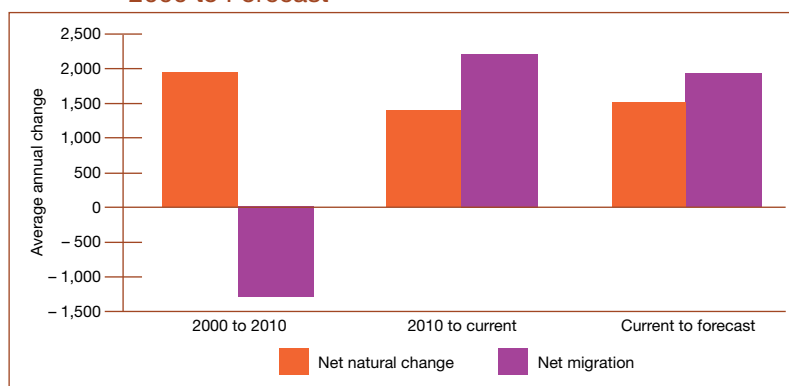


* Gulfport-Biloxi-Pascagoula HMA.

Notes: The current date is September 1, 2016. The forecast date is September 1, 2019.

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

Figure 5. Components of Population Change in the Gulfport HMA,* 2000 to Forecast

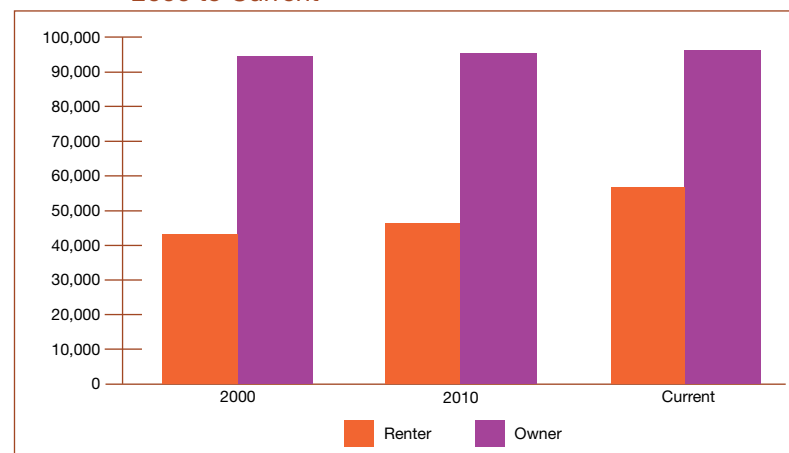


* Gulfport-Biloxi-Pascagoula HMA.

Notes: The current date is September 1, 2016. The forecast date is September 1, 2019.

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

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



* Gulfport-Biloxi-Pascagoula HMA.

Note: The current date is September 1, 2016.

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

annually. From 2009 to 2015, population growth returned to normalcy, and the population increased by an average of 3,625, or 1.0 percent, annually. Net in-migration accounted for 60 percent of the growth, averaging 2,175 people annually, while net natural change averaged 1,450 people annually. During the 3-year forecast period, the population of the HMA is expected to increase by an average of 3,400, or 0.9 percent, annually to 403,700 by September 1, 2019 (Figure 4). More than one-half of the growth is expected to be because of net in-migration (Figure 5).

Since 2010, the number of households in the HMA has increased at a faster rate than during the previous decade because of a greater pace of population growth. The number of households has increased by 1,675, or 1.2 percent, annually since 2010 compared with an average annual increase of 500, or 0.4 percent, during the previous decade. The rate of household growth since 2010 has slightly exceeded the rate of population growth, because resident employment growth since 2010 has been stronger than during the previous decade, allowing for greater household formation. The number of households in the HMA is currently estimated at 151,850. Figure 6 illustrates the number of households by tenure in the HMA for 2000, 2010, and the current date. During the forecast period, the number of households in the HMA is expected to increase by 1,525, or 1.0 percent, annually to approximately 156,400 households by September 1, 2019. Table DP-1 at the end of this report provides additional demographic data for the HMA.

Housing Market Trends

Sales Market

Despite recent improvement, the sales housing market in the Gulfport-Biloxi-Pascagoula HMA is slightly soft. The current home sales vacancy rate is estimated at 2.9 percent, down from 3.6 percent in 2010 because of slow job and population growth since 2010. During the 12 months ending August 2016, the number of new and existing homes sold in the HMA—including single-family homes, town-homes, and condominiums—increased 13 percent to 4,725 compared with the number sold during the previous 12 months (Gulf Coast Association of Realtors®), partly because of job gains during the period. The current level of sales remains below the average of 5,025 homes sold annually from 2004 through 2006, when reconstruction contributed to an increase in the number of homes sold after Hurricane Katrina, although home sales were also high immediately before the hurricane. From 2007 through 2010, new and existing home sales decreased to an average of 3,100 homes sold annually as reconstruction and the return in-migration resulting from Hurricane Katrina slowed. From 2011 through 2015, home sales increased every year and averaged 3,625 homes sold annually. Despite the recent increase in home sales, the current homeowner-ship rate in the HMA is estimated at 62.9 percent, down from 67.3 percent in April 2010, because of an increased preference for rental housing coupled with tighter mortgage lending standards beginning in 2008.

During the 12 months ending August 2016, the average sales price for new and existing homes in the HMA increased 1 percent to \$145,300 compared with prices during the previous 12

months (Gulf Coast Association of Realtors®). Although home prices in the HMA have been recovering since 2012, prices remain below the average of \$155,800 from 2005 through 2009, when the destruction of housing inventory by Hurricane Katrina contributed to tight housing market conditions. As the national recession impacted the HMA and the return in-migration of displaced residents ended, home prices declined to an average of \$123,900 from 2010 through 2012. Home prices have recovered since, to an average of \$135,800 from 2013 through 2015, because of limited home construction. In August 2016, 3.9 percent of mortgage loans in the HMA were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status, down from 5.0 percent in August 2015 and down from the peak of 19.8 percent in November 2005 (CoreLogic, Inc.), when Hurricane Katrina devastated the HMA. By comparison, in August 2016, 4.2 percent of mortgage loans in Mississippi were seriously delinquent or had transitioned into REO status, down from 5.0 percent in August 2015.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, increased in the HMA during the 12 months ending August 2016. The number of single-family homes permitted increased 18 percent to 1,625 homes from 1,375 homes permitted during the previous 12 months (preliminary data), as builders responded to increases in home sales and prices. The current level of permitting activity remains well below the average of 2,375 homes permitted annually from 2000 through

Housing Market Trends

Sales Market *Continued*

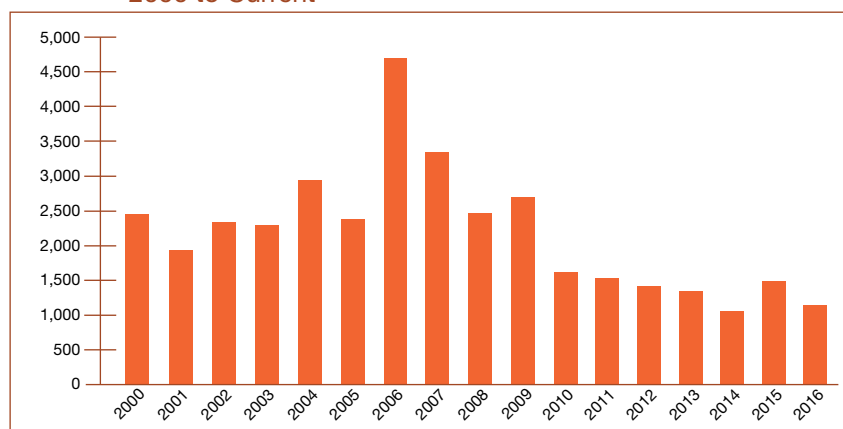
2005 (Figure 7), partly because of stricter building codes and higher insurance rates since Hurricane Katrina. The hurricane destroyed or severely damaged an estimated 8,600 owner-occupied homes in the HMA (FEMA). In 2006, the number of homes permitted increased significantly, to 4,675 homes, because of the reconstruction of homes. Subsequently, from 2007 through 2009, the number of homes permitted declined to an average of 2,825 homes annually, as the pace of reconstruction and return in-migration of displaced residents declined. More recently, from 2010 through 2015, the pace of home

construction declined further to an average of 1,400 annually, because the return in-migration of displaced residents came to an end, coupled with increased home insurance costs and tighter home construction regulations.

Sales prices for new single-family homes start at approximately \$90,000, but the lowest prices are found primarily in the outlying areas, such as unincorporated Hancock County, portions of the city of D'Iberville, and outlying portions of the city of Gulfport. New home construction is disproportionately concentrated north of the Interstate 10 corridor, which is more inland, partly because of increased insurance costs for homes near the coast. Ongoing developments include Palmetto Pointe, in the city of Ocean Springs, which is expected to include 220 homes by the time it is complete, although a final completion date has not been announced. To date, an estimated 37 homes have been completed with prices starting at \$239,900. In the city of Gulfport, Hatten Farms is currently under construction with 40 homes expected by the unannounced construction completion date. To date, 20 homes have been completed with prices starting at \$185,900.

During the 3-year forecast period, demand is expected for 2,775 new homes in the HMA (Table 1). The 500 homes currently under construction and a portion of the estimated 12,950 other vacant units that likely will reenter the sales market will meet some of that demand. Demand is expected to remain relatively stable during the forecast period. An estimated 51 percent of the demand is expected to be for homes priced between \$150,000 and \$249,999 (Table 4).

Figure 7. Single-Family Homes Permitted in the Gulfport HMA,* 2000 to Current



* Gulfport-Biloxi-Pascagoula HMA.

Notes: Includes townhomes. Current includes data through August 2016.

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

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Gulfport HMA* During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
90,000	149,999	190	7.0
150,000	199,999	770	28.0
200,000	249,999	640	23.0
250,000	299,999	360	13.0
300,000	399,999	470	17.0
400,000	499,999	190	7.0
500,000	and higher	140	5.0

* Gulfport-Biloxi-Pascagoula HMA.

Notes: The 500 homes currently under construction and a portion of the estimated 12,950 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is September 1, 2016, to September 1, 2019.

Source: Estimates by analyst

Rental Market

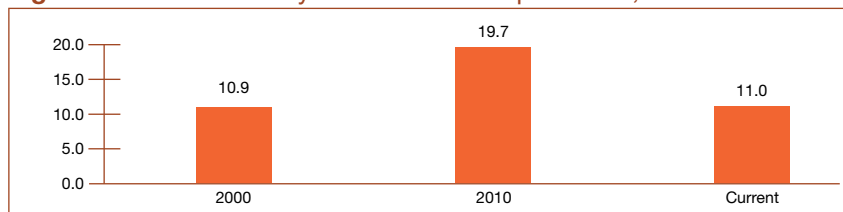
Rental housing market conditions in the Gulfport-Biloxi-Pascagoula HMA are soft but improving. The current overall rental vacancy rate is estimated at 11.0 percent, down significantly from 19.7 percent in April 2010 (Figure 8). An estimated 45 percent of renter-occupied housing units consist of single-family homes, up from 37 percent in 2010. Apartments, defined as units in buildings containing five or more units, comprise an estimated 36 percent of renter-occupied housing, up from 30 percent in 2010. The apartment market is slightly soft. The apartment vacancy rate as of September 1, 2016, was 8.7 percent, down from 9.1 percent a year ago (ALN Apartment Data, Inc.), although the rate varies significantly among the counties in the HMA.

Vacancy rates for Harrison, Jackson, and Hancock counties are currently estimated at 6.7, 11.5, and 16.3 percent, respectively. The creation of 1,000 jobs in April 2016 by Margaritaville Resort Biloxi in Harrison County contributed to greater household growth and a tighter rental market in Harrison County compared with the other counties in the HMA.

Current asking rents for market-rate apartments in the HMA average \$644, \$748, and \$894 for one-, two-, and three-bedroom units, respectively (ALN Apartment Data, Inc.). The average asking rent for all market-rate apartment units is \$727, up 4 percent from \$700 a year ago. Asking rents for market-rate units do not vary significantly among the counties in the HMA and average \$738, \$712, and \$708 in Harrison, Hancock, and Jackson counties, respectively. In August 2016, the median rent for a single-family home in the HMA was \$950, down 5 percent from \$1,000 in August 2015 and down from \$995 in August 2014 (Yahoo!-Zillow Real Estate Network).

Since 2010, multifamily construction activity, as measured by the number of units permitted, has remained below the levels recorded in the HMA from 2006 through 2009 (Figure 9). During the 12 months ending August 2016, 180 multifamily units were permitted, a 20-percent increase from the 150 units permitted during the previous 12 months (preliminary data; analyst estimates) as developers responded to modest increases in rents and vacancy rates. The multifamily units currently under construction consist primarily of duplexes, triplexes, quadruplexes, and other small developments

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

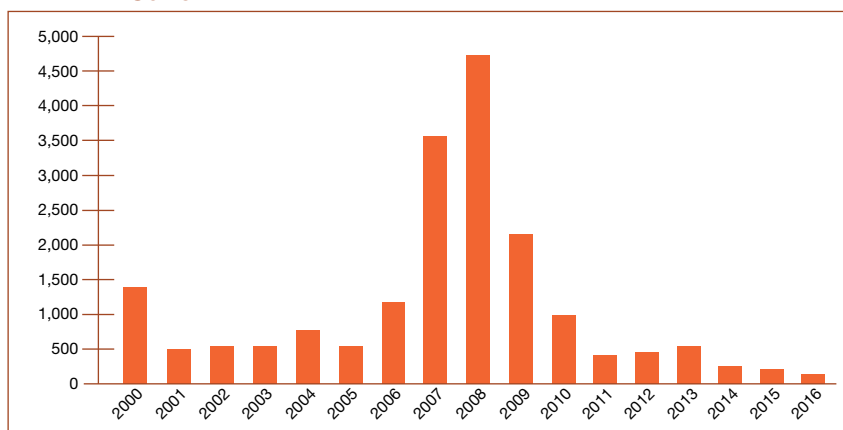


* Gulfport-Biloxi-Pascagoula HMA.

Note: The current date is September 1, 2016.

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

Figure 9. Multifamily Units Permitted in the Gulfport HMA,* 2000 to Current



* Gulfport-Biloxi-Pascagoula HMA.

Notes: Excludes townhomes. Current includes data through August 2016.

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

scattered throughout the HMA. The current level of activity is below the average of 580 units permitted annually from 2001 through 2005, when moderate population and job growth contributed to a decline in apartment vacancy rates from 9.0 percent in the second quarter of 2001 to 3.3 percent in the second quarter of 2005. From 2006 through 2009, construction activity increased significantly to an average of 2,925 units annually, as a large number of apartment units were built to replace units that were destroyed by Hurricane Katrina to provide housing for displaced residents returning to the HMA. An estimated 5,650 rental units were destroyed by Hurricane Katrina, of which 1,950 were apartment units (FEMA). Apartment market conditions were extremely tight, with a vacancy rate of 0.6 percent in the second quarter of 2006, because of the lost rental inventory. The vacancy rate increased significantly as replacement units were built and reached 14.9 percent in the fourth quarter of 2009. Of the 11,650 units permitted during 2006 and 2009, an estimated 4,800, or 41 percent, were Low-Income Housing Tax Credit units. As conditions

normalized in the aftermath of Hurricane Katrina, from 2010 to 2015, construction activity slowed to an average of 470 units annually, as builders responded to the slowed in-migration. Recently completed properties in the city of Biloxi include the 218-unit Arbor Landing on the River, completed in August 2015, with rents starting at \$859 and \$1,059 for one- and two-bedroom units, respectively. Developments currently in the planning stages include a conversion of the Markham Hotel in the city of Gulfport into a 64-unit luxury apartment property. Construction is expected to begin in early 2017 with rents averaging \$1,800 per unit.

During the 3-year forecast period, demand is estimated for 1,350 new market-rate rental units in the HMA. The 300 units currently under construction and current excess vacant units will satisfy all of the forecast demand for the first year (Table 1). Additional units do not need to be constructed until the second year of the forecast period. Demand is expected to remain relatively stable during the forecast period. Table 5 shows forecast demand by number of bedrooms and rent levels.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Gulfport HMA* During the Forecast Period

Zero Bedrooms		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	Monthly Gross Rent (\$)	Units of Demand
590 or more	40	660 to 859	540	760 to 959	430	850 to 1,049	100
		860 to 1,059	10	960 to 1,159	55	1,050 to 1,249	80
		1,060 or more	10	1,160 or more	55	1,250 or more	15
Total	40	Total	560	Total	540	Total	200

* Gulfport-Biloxi-Pascagoula HMA.

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 300 units currently under construction will likely satisfy some of the estimated demand. The forecast period is September 1, 2016, to September 1, 2019.

Source: Estimates by analyst

Data Profile

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

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	165,852	157,131	154,300	- 0.5	- 0.3
Unemployment rate	5.0%	9.1%	6.3%		
Nonfarm payroll jobs	166,000	155,700	153,700	- 0.6	- 0.2
Total population	363,988	370,702	393,500	0.2	0.9
Total households	136,111	141,061	151,850	0.4	1.2
Owner households	93,823	94,980	95,550	0.1	0.1
Percent owner	68.9%	67.3%	62.9%		
Renter households	42,288	46,081	56,300	0.9	3.2
Percent renter	31.1%	32.7%	37.1%		
Total housing units	152,386	167,088	174,600	0.9	0.7
Owner vacancy rate	1.8%	3.6%	2.9%		
Rental vacancy rate	10.9%	19.7%	11.0%		
Median Family Income	\$37,900	NA	\$52,300	NA	NA

* Gulfport-Biloxi-Pascagoula HMA.

NA = data not available.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through August 2016. Median Family Incomes are for 1999, 2009, and 2015. The current date is September 1, 2016.

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: 9/1/2016—Analyst's estimates
 Forecast period: 9/1/2016–9/1/2019—Analyst's estimates

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

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 the U.S. Department of Housing and Urban Development's (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.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_Gulfport_Biloxi_PascagoulaMS_17.pdf.

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This analysis has been prepared for the assistance and guidance of 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 huduser.gov/portal/ushmc/chma_archive.html.