

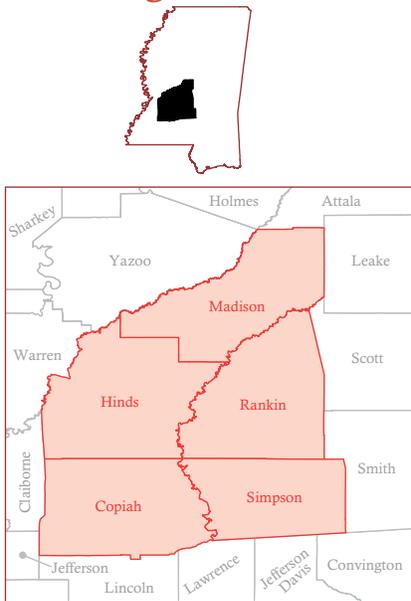


# Jackson, Mississippi

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of January 1, 2014



## Housing Market Area



The Jackson Housing Market Area (HMA), comprising Copiah, Hinds, Madison, Rankin, and Simpson Counties, is coterminous with the Jackson, MS Metropolitan Statistical Area. The principal city, Jackson, is the capital of Mississippi and is home to The University of Mississippi Medical Center (UMMC), a branch of The University of Mississippi system (colloquially known as Ole Miss).

## Market Details

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## Summary

### Economy

Economic conditions in the Jackson HMA gradually improved during the past 4 years after declines from 2008 through 2010 following the onset of the national recession. During 2013, average nonfarm payrolls increased by 2,600 jobs, or 1.0 percent, to 259,700. The greatest job gains were in the professional and business services sector, which increased by 2,400 jobs, or 8.0 percent. Nonfarm payrolls are expected to increase at an average annual rate of 1.1 percent during the next 3 years, with job gains occurring primarily in the manufacturing sector.

### Sales Market

The sales housing market in the HMA is currently slightly soft, with an estimated vacancy rate of 2.0 percent, down from 2.2 percent in April 2010. During the 3-year forecast period, household gains are expected to support demand for 5,250 new homes, including 50 mobile homes (Table 1). The 100 homes currently under construction and a portion of the 11,900 other vacant units in the HMA that may reenter the housing market will satisfy some of the demand.

### Rental Market

The rental housing market in the HMA is currently soft but has improved since 2010. The overall rental vacancy rate is currently estimated at 8.5 percent, down from 9.5 percent in 2010. By comparison, the apartment market in the HMA is balanced, with a vacancy rate of 6.3 percent in the fourth quarter of 2013 (Reis, Inc.). Demand for new market-rate rental units is not expected during the 3-year forecast period to allow for the absorption of the current supply of excess vacant available units (Table 1).

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

	Jackson HMA	
	Sales Units	Rental Units
Total demand	5,250	0
Under construction	100	0

*Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2014. A portion of the estimated 11,900 other vacant units in the HMA will likely satisfy some of the forecast demand. Sales demand includes an estimated demand for 50 mobile homes. The forecast period is January 1, 2014, to January 1, 2017.*

Source: Estimates by analyst

# Economic Conditions

From 2000 through 2007, nonfarm payrolls in the Jackson HMA increased by an average of 2,475 jobs, or 1.0 percent, annually with the exception of the 1,100-job decline, less than 1 percent, which occurred in 2002. The education and health services sector increased by an average of 1,125 jobs annually, or 3.9 percent, to 36,300 jobs, during the 2000-through-2007 period, which coincides with healthcare-related facility expansions in the HMA, including UMMC. The greatest average annual increase in nonfarm payrolls from 2000 through 2007 occurred from 2003 through 2004, when each

year gained 2,950 jobs, an average annual increase of 1.2 percent; approximately 32 percent of all gains during the 2003-through-2004 period occurred in the manufacturing sector with the grand opening of the \$1.4 billion Nissan North America, Inc., plant in Canton. Nissan, the largest private employer in the HMA, currently employs 5,600 people.

Nonfarm jobs declined from 2008 through 2010 by an average of 4,400 jobs, or 1.7 percent, annually, to 253,700 jobs. The greatest decline occurred in the manufacturing sector, which decreased by 1,450 jobs, or 7.6 percent, to 16,200 jobs. In 2011, the declining trend in payrolls was reversed when the HMA gained 1,400 jobs. During 2013, nonfarm payrolls increased by 2,600 jobs, or 1.0 percent, to 259,700 jobs (Table 2), compared with an increase of 1,400 jobs, or 0.5 percent, a year earlier. Nonfarm payrolls in the HMA currently remain at approximately 4,000 jobs fewer than the peak of 263,700 jobs in 2007. The unemployment rate in the HMA slightly decreased to 7.1 percent during 2013 from 7.4 percent in 2012 as the economy improved; the current rate is lower than both the 8.6-percent state rate and the 7.4-percent national rate in 2013. The unemployment rate is down from an average of 8.1 percent from 2009 through 2011 but remains higher than the average of 4.8 percent from 2000 through 2003. Figure 1 presents trends in the labor force, resident employment, and the unemployment rate from 2000 through 2013.

During 2013, the professional and business services and the education and health services sectors added the most jobs in the HMA, increasing by 2,400 and 900 jobs, or 8.0 and 2.3

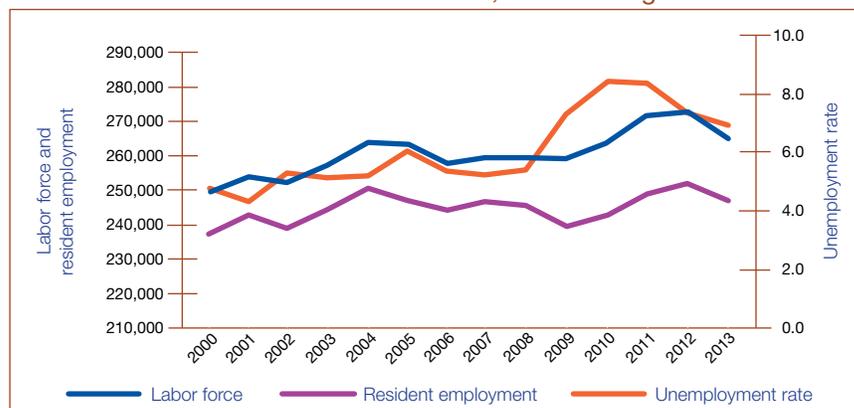
**Table 2. 12-Month Average Nonfarm Payroll Jobs in the Jackson HMA, by Sector**

	12 Months Ending		Absolute Change	Percent Change
	December 2012	December 2013		
Total nonfarm payroll jobs	257,100	259,700	2,600	1.0
Goods-producing sectors	27,200	27,100	- 100	- 0.4
Mining, logging, & construction	10,800	10,700	- 100	- 0.9
Manufacturing	16,400	16,400	0	0.0
Service-providing sectors	229,900	232,600	2,700	1.2
Wholesale & retail trade	38,300	37,700	- 600	- 1.6
Transportation & utilities	10,100	10,300	200	2.0
Information	4,500	4,500	0	0.0
Financial activities	15,300	15,400	100	0.7
Professional & business services	30,100	32,500	2,400	8.0
Education & health services	39,200	40,100	900	2.3
Leisure & hospitality	22,700	23,000	300	1.3
Other services	12,600	12,700	100	0.8
Government	57,200	56,500	- 700	- 1.2

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through December 2012 and December 2013.

Source: U.S. Bureau of Labor Statistics

**Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Jackson HMA, 2000 Through 2013**



Source: U.S. Bureau of Labor Statistics

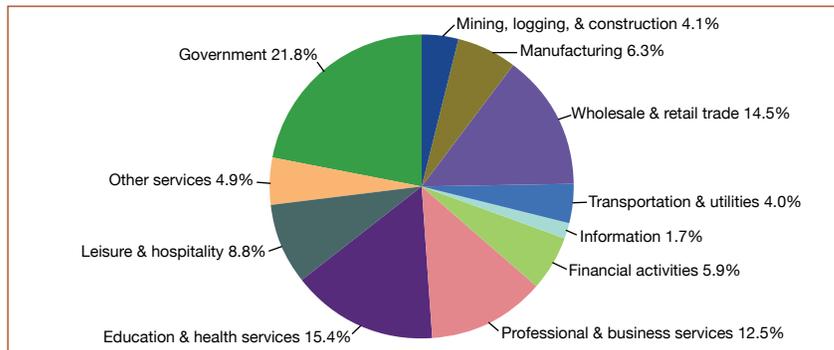
percent, respectively, and accounting for approximately 13 and 15 percent of nonfarm payrolls in the HMA, respectively (Figure 2). Job growth in the HMA during 2013 included 260 new jobs at an AT&T call center in Madison County.

The city of Canton is home to one of the three Nissan North America, Inc., manufacturing plants in the nation. In addition to Nissan North America, Inc., the largest employers in the HMA include the State of Mississippi, and UMMC, with approximately 31,600 and 8,000 employees, respectively (Table 3). UMMC, in the city of Jackson in Hinds County, enrolls more than 2,800 students in six health science disciplines, including medicine, nursing,

dentistry, and pharmacy. The medical center had an estimated economic impact of approximately \$2.1 billion on the state in 2010 (the latest data available; UMMC). The government sector, the largest payroll sector in the HMA, accounting for nearly 22 percent of all nonfarm jobs, decreased during 2013 by 700 jobs, or 1.2 percent. The federal, state, and local government subsectors each recorded job losses, but the greatest decrease of 300 jobs, or 1.3 percent, occurred in the local government subsector because of local government revenue constraints. Figure 3 represents sector growth by percentage change from 2000 to the current date.

During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 1.1 percent a year. Job growth is expected to be greatest in the professional and business services and the manufacturing sectors. Expected job expansions include Nissan North America, Inc., which began construction in 2013 on a new supplier park at the Canton vehicle assembly plant. The project is expected to create 800 new jobs by 2015 in addition to the 400 supplier jobs newly created since the summer of 2013. In addition, UMMC is currently acquiring the historical Landmark Building in downtown Jackson to expand the medical center. The 366,500-square-foot, seven-story building will most likely be used for office space for UMMC, which is expected to create more than 500 full-time jobs after renovations have been completed. The official finish date for the expansion has not been announced.

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



Note: Based on 12-month averages through December 2013.

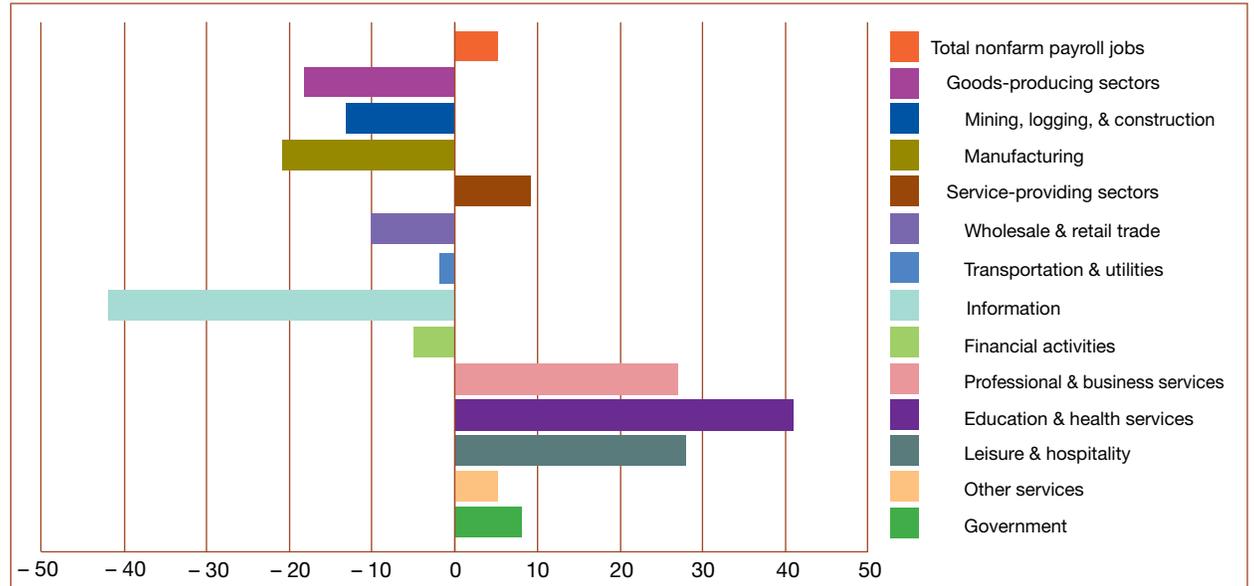
Source: U.S. Bureau of Labor Statistics

**Table 3. Major Employers in the Jackson HMA**

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of Mississippi	Government	31,600
The University of Mississippi Medical Center	Government	8,000
Nissan North America, Inc.	Manufacturing	5,600
United States Government	Government	5,500
Mississippi Baptist Health Systems, Inc.	Education & health services	2,875
Wal-Mart Stores, Inc.	Wholesale & retail trade	2,725
St. Dominic Health Services Inc.	Education & health services	2,600
Mississippi State Hospital	Government	2,500
Jackson State University	Government	1,675

Note: Excludes local school districts.

Sources: Greater Jackson Chamber Partnership; Nissan North America, Inc.

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

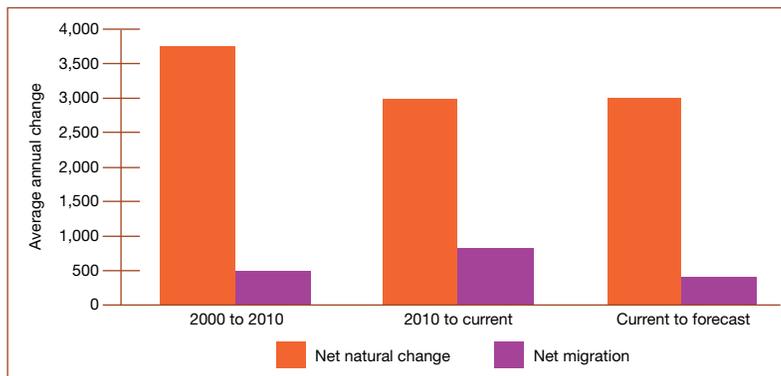
Note: Current is based on 12-month averages through December 2013.

Source: U.S. Bureau of Labor Statistics

## Population and Households

As of January 1, 2014, the population of the Jackson HMA was estimated at 581,100, representing an average annual increase of 3,725, or 0.7 percent, since April 2010. Since 2010, net in-migration has accounted for approximately 21 percent of the

population growth (Figure 4). From 2000 through 2005, coinciding with modest employment growth, population growth in the HMA was slow, averaging approximately 4,225 people, or 0.8 percent, annually, and net in-migration accounted for nearly 20 percent of growth. Population growth peaked in 2006, with the addition of 9,525 people, or 1.7 percent, from the previous year. During 2006, net in-migration accounted for nearly 60 percent of total growth because Hurricane Katrina evacuees moved to the HMA primarily from the impacted areas in New Orleans and the Mississippi Gulf Coast. From 2007 through 2009, population growth slowed to an average of 2,500 people, or 0.4 percent; annual net out-migration during this time averaged approximately 1,600

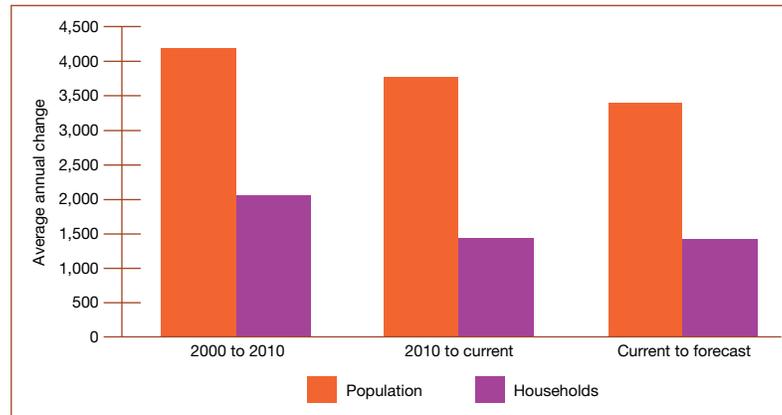
**Figure 4.** Components of Population Change in the Jackson HMA, 2000 to Forecast

Notes: The current date is January 1, 2014. The forecast date is January 1, 2017.

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

## Population and Households *Continued*

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



*Notes: The current date is January 1, 2014. The forecast date is January 1, 2017.  
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst*

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



*Note: The current date is January 1, 2014.  
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst*

because Hurricane Katrina evacuees returned to their respective hometowns. Table DP-1 at the end of this report provides information about population growth in the HMA from 2000 to the current date. During the next 3 years, the population of the HMA is expected to increase by an average of 3,400, or 0.6 percent, annually, to 591,300 (Figure 5).

An estimated 215,300 households currently reside in the Jackson HMA; of those households, 144,500, or 67 percent, are owner households (Figure 6). The number of households grew by an average of 2,025, or 1.0 percent, annually from April 2000 to April 2010. Because of decreased growth in the population, growth in the number of households slowed to 1,425, or 0.7 percent, annually since 2010. During the next 3 years, the number of households is expected to increase by 1,400, or 0.6 percent, annually, to 219,500.

## Housing Market Trends

### Sales Market

The overall sales housing market in the Jackson HMA is slightly soft, with an estimated vacancy rate of 2.0 percent, down from 2.2 percent in April 2010. The improving economy and strengthening sales market have led to a lower percentage of distressed loans. During December 2013, 8.0 percent of home loans in the Jackson HMA were

90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned) status, down from the 9.5-percent rate in December 2012 (Black Knight Financial Services, Inc.). The current rate is lower than the 8.2-percent rate in the state but higher than the 5.9-percent national rate during December 2013.

During the 12 months ending November 2013 (the period with the best representative data available at the time of the report), sales of existing single-family homes, townhomes, and condominiums (hereafter, existing homes) totaled 1,500, a decrease of 125 homes, or 8 percent, from the same period in 2012 (CoreLogic, Inc.). The average existing home sales price was \$258,900, an increase of 2 percent from the average price of \$201,500 a year earlier. Existing single-family home sales peaked at 6,175 homes during 2009, coinciding with increased REO sales, which accounted for approximately 65 percent of sales; the sales price averaged \$202,800. As the availability of REO sales began to decline in 2010 to approximately 20 percent of sales, existing home sales decreased by an average of 2,075, or 35 percent, annually from 5,950 homes in 2010 to 1,800 homes in 2012, and the average sales price increased from \$195,300 to \$207,600, a 3-percent increase, annually.

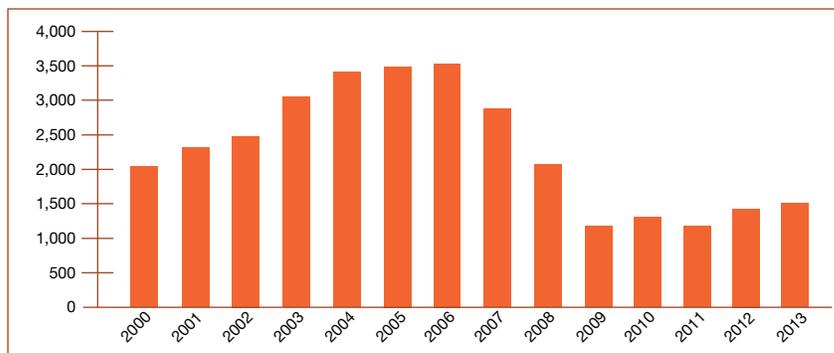
Although existing home sales in the HMA weakened during the 12 months ending November 2013, new home sales improved. During 2013, new home sales totaled 320, an increase of 7 percent from 300 new homes sold during the previous year (CoreLogic, Inc.). The average new home sales

price was \$267,400 during 2013, an increase of 1 percent from \$265,400 during 2012. An average of 300 new homes sold annually between 2010 and 2012, at an average annual price of \$263,600.

Single-family homebuilding activity, as measured by the number of homes permitted, has decreased nearly 60 percent since it peaked at 3,525 homes permitted in 2006 (Figure 7). As the economy slowed and out-migration increased, single-family home construction declined by an average of 850, or 29 percent, annually from 2007 through 2009. Then, the number of homes permitted stabilized, averaging approximately 1,350 homes permitted annually from 2010 through 2012. During 2013, 1,525 homes were permitted compared with 1,450 homes permitted in 2012, an increase of 5 percent (preliminary data). Construction is currently under way at several residential developments throughout the HMA, including Ironwood Plantation, a luxury subdivision that began construction in 2011 in Madison (one of the most active cities for new home sales in the HMA). Approximately 75 of 200 lots are available for sale in the subdivision, and homes are priced in the \$390,000-to-\$500,000 range.

During the next 3 years, demand is expected for 5,250 new homes in the HMA, including 50 mobile homes (Table 1). The estimated 100 homes currently under construction and a portion of the 11,900 other vacant units in the HMA will likely satisfy some of the demand. Sales prices for new, smaller single-family homes start at \$110,000. Homes priced between \$110,000 and \$160,000 are expected to make up approximately 40 percent of the demand (Table 4).

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



Notes: Includes townhomes. Current includes data through December 2013.  
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

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

Price Range (\$)		Units of Demand	Percent of Total
From	To		
110,000	134,999	1,050	20.0
135,000	159,999	1,050	20.0
160,000	184,999	780	15.0
185,000	209,999	780	15.0
210,000	234,999	1,050	20.0
235,000	and higher	520	10.0

Notes: The 100 homes currently under construction and a portion of the estimated 11,900 other vacant units in the HMA will likely satisfy some of the forecast demand. Excludes mobile homes. The forecast period is January 1, 2014, to January 1, 2017.

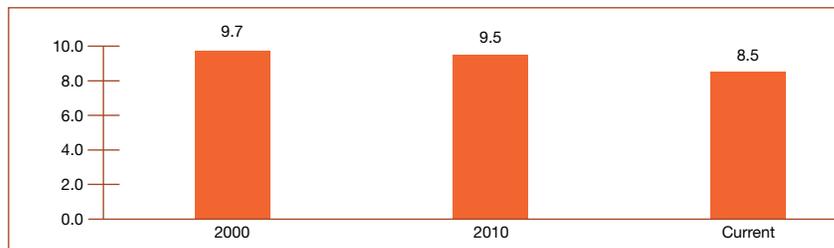
Source: Estimates by analyst

## Rental Market

Overall rental housing market conditions in the Jackson HMA are currently soft, but they have improved because of a cutback in apartment construction since 2005. The current overall rental vacancy rate, including apartments, single-family homes, and other rental units, is estimated at 8.5 percent, down from 9.5 percent in April 2010 (Figure 8). Although overall rental housing market conditions in the HMA

are soft, conditions in the apartment market are balanced. The apartment vacancy rate during the fourth quarter of 2013 was 6.3 percent, down from 7.2 percent during the fourth quarter of 2012 (Reis, Inc.). The average asking rent for apartments was approximately \$720, up 3 percent from a year earlier. Rents for a studio unit and for one-, two-, and three-bedroom units averaged \$520, \$620, \$750, and \$870, respectively.

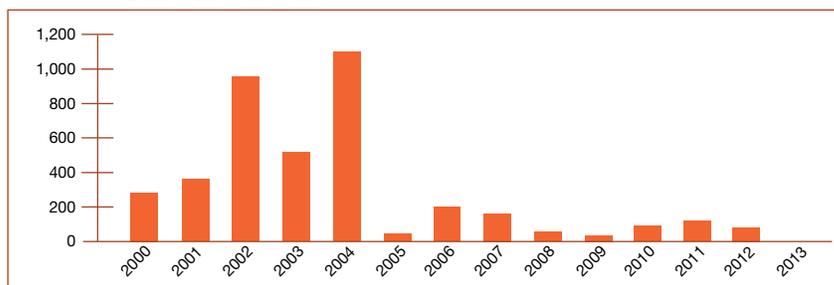
**Figure 8.** Rental Vacancy Rates in the Jackson HMA, 2000 to Current



Note: The current date is January 1, 2014.

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

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



Notes: Excludes townhomes. Current includes data through December 2013.

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

Multifamily development, as measured by the number of multifamily units permitted, decreased in the HMA during 2013 (Figure 9). During this time, no multifamily units were permitted compared with 80 multifamily units permitted a year earlier (preliminary data). Approximately 520 multifamily units were permitted in the HMA annually from 2000 through 2003; then, the number of multifamily units permitted peaked in 2004 at 1,100 units, corresponding to a significant increase in payrolls the same year. From 2005 through 2012, the number of multifamily units permitted averaged 100 units annually. No apartment units are currently under construction in the HMA.

## Housing Market Trends

### Rental Market *Continued*

During the next 3 years, the current supply of vacant available rental units, including single-family homes available for rent, is more than sufficient to meet the demand for rental units

in the HMA (Table 1). To achieve balanced market conditions, no additional units should be constructed during this time.

## Data Profile

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

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	237,302	242,124	247,100	0.2	0.7
Unemployment rate	4.8%	8.4%	7.1%		
Nonfarm payroll jobs	246,300	253,700	259,700	0.3	0.8
Total population	525,346	567,122	581,100	0.8	0.7
Total households	189,734	209,914	215,300	1.0	0.7
Owner households	132,484	142,480	144,500	0.7	0.4
Percent owner	69.8%	67.9%	67.1%		
Renter households	57,250	67,434	70,800	1.7	1.3
Percent renter	30.2%	32.1%	32.9%		
Total housing units	206,561	232,658	236,700	1.2	0.5
Owner vacancy rate	1.7%	2.2%	2.0%		
Renter vacancy rate	9.7%	9.5%	8.5%		
Median Family Income	\$46,600	\$56,700	\$58,800	2.0	1.2

*Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through December 2013. Median Family Incomes are for 1999, 2009, and 2012. The current date is January 1, 2014.*

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

## Data Definitions and Sources

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2000: 4/1/2000—U.S. Decennial Census  
2010: 4/1/2010—U.S. Decennial Census  
Current date: 1/1/2014—Analyst's estimates  
Forecast period: 1/1/2014–1/1/2017—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 December 1, 2009, and does not reflect changes defined by 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 [http://www.huduser.org/publications/pdf/CMARtables\\_JacksonMS\\_14.pdf](http://www.huduser.org/publications/pdf/CMARtables_JacksonMS_14.pdf).

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This analysis was 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 [www.huduser.org/portal/ushmc/chma\\_archive.html](http://www.huduser.org/portal/ushmc/chma_archive.html).