

Mississippi Gulf Coast Economic Snapshot

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Mississippi Gulf Coast Development News

- Hancock Medical Center in Bay St. Louis is in the midst of a five phase reconstruction project scheduled for completion in 2014.
- Signet Maritime has announced a \$3.6 million expansion in Pascagoula. The expansion has already created 50 new jobs. In other shipbuilding news, VT Halter has begun construction on a new ship-repair facility which will create 500 new jobs.
- The City of Pascagoula has received bids on the first phase of the city's \$4 million beach-front promenade project.
- Hard Rock Hotel & Casino and Isle Resort Casino (soon to be rebranded as Golden Nugget) have begun expansion projections exceeding \$130 million in total value.
- In January the GoCoast 2020 Commission published a final report including comprehensive recommendations for how any potentially significant funding resulting from BP-related settlement proceeds should be invested into the region's of Mississippi impacted by the 2010 BP Oil Spill.

About GCBC

The Gulf Coast Business Council engages top executives of businesses – large and small – to be the united voice on public policy issues important to the Mississippi Gulf Coast, to serve as a facilitating organization and help develop future leaders. The Gulf Coast Business Council champions common economic and business interests through identifying issues, convening resources, framing public policy and finding solutions for the Mississippi Gulf Coast. Sound research serves as a foundation for the Business Council's program of work. Please visit www.msgcbc.com/research to download other examples of research published by the Gulf Coast Business Council.

Focus: Real Estate

In 2012, the **Mississippi Gulf Coast's residential real estate market reached an important milestone**, snapping a 19-quarter streak of year-over-year declines in average selling price¹. In fact, in both the third and fourth quarters, the average selling price of a home improved in the region. Regarding why the Mississippi Gulf Coast's real estate market has lagged behind the overall nation's residential recovery (the Case-Shiller 20-city index began stabilizing in 2009), several factors have been in play, including significant supply and demand fluctuations in the aftermath of Hurricane Katrina, the BP Oil Spill, and of course insurance. Several indicators suggest that selling prices will continue to rise. Inventories are down, the volume of homes sold is up, and the number of homes participating in the Mississippi Wind Pool (46,300) declined in 2012 (to roughly 45,000) when compared to prior year.

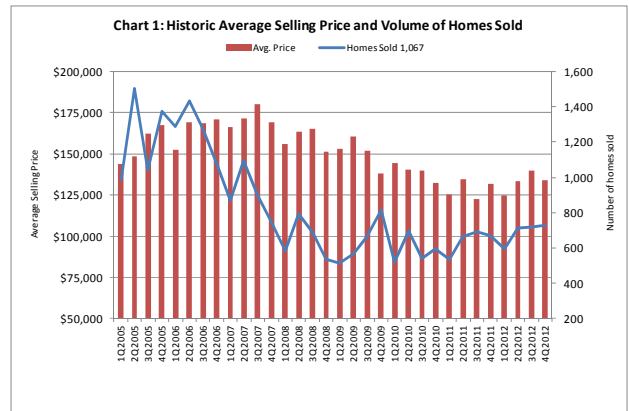


Table 1: Snapshots of Available Home Inventories

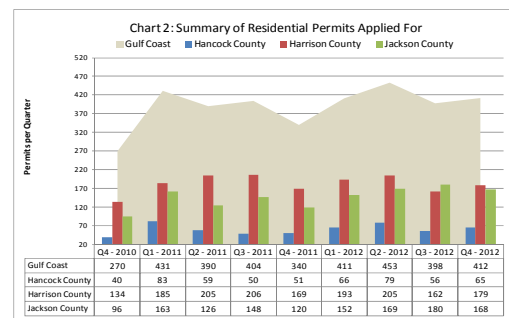
Price Range	Jan-13	Oct-12	Jul-12	Jan-12	Oct-11	Jul-11	Apr-11	Oct-10
Less than \$130K	1,192	1,291	1,316	1,236	1,366	1,351	1,368	1,970
Between \$130K and \$200K	689	765	810	813	910	1,017	1,039	1,188
Greater than \$200K	796	922	944	849	893	1,026	1,036	1,091
Total Homes on Market	2,677	2,978	3,070	2,898	3,169	3,394	3,443	4,249

Source*: Multiple Listing Services
*Information in this database changes frequently

¹Average selling price, the number of homes sold, and inventories are derived from the Mississippi Gulf Coast Multiple Listing Services. This database is updated periodically and subject to modest fluctuation.

Update: Applications for Permits

According to information reported by Treen Reports, the volume of residential permits applied for on the Mississippi Gulf Coast has increased in five of the most recent six quarters. On the commercial side, both the volume of permits applied for and the total aggregate value of those respective permits have been more or less static. In light of the residential real estate market beginning a potentially stable recovery, and given the recent growth of the sales tax base, the growth in the number of establishment jobs in the region, and several large projects being announced, commercial activity is poised for growth in 2013.



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