



MULTIFAMILY REPORT

St. Louis Pushes Onward

Fall 2020



Investment Picks Up

Deal Volume Surpasses 2019

Rent Growth Remains Positive

ST. LOUIS MULTIFAMILY



Investor Interest, Rental Demand Grow

The St. Louis multifamily market has shown resilience this year. Rents continued to improve, pushing upward by 0.3% on a trailing three-month basis through October, even as growth remained flat at the national level. The average rent of \$999—31.7% less than the U.S. average—positions St. Louis well as renter demand continues its shift toward more affordable options.

Although the metro has been impacted by the loss of 82,400 jobs during the 12 months ending in September, St. Louis' economy has made some notable strides. The unemployment rate was 5.5% in September, far below the national rate and continuing to improve from the peak of 11.3% in May. Additional challenges may be on the horizon, however. As state and local governments face decreasing tax revenues, budget cuts and reduced public spending may lead to a slower or delayed recovery.

Investment picked up in 2020, with transactions totaling \$484 million through October, a nearly 35% increase from the same period last year. Per-unit prices jumped to \$123,068, a 71% increase compared to 2019. However, even amid investment activity expansion, development has slowed. Fewer than 1,000 units were delivered in the first 10 months of the year, and an additional 2,239 were underway, nearly all aimed at Lifestyle renters. Few projects are expected to break ground in the coming months.

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Recent St. Louis Transactions

Marian Heights



City: Alton, Ill.
Buyer: Harmony Housing
Purchase Price: \$11 MM
Price per Unit: \$87,795

Delor Park



City: St. Louis
Buyer: Neighborhood Properties
Purchase Price: \$3 MM
Price per Unit: \$31,250

Broadway Place



City: South Roxana, Ill.
Buyer: Harmony Housing
Purchase Price: \$2 MM
Price per Unit: \$35,714