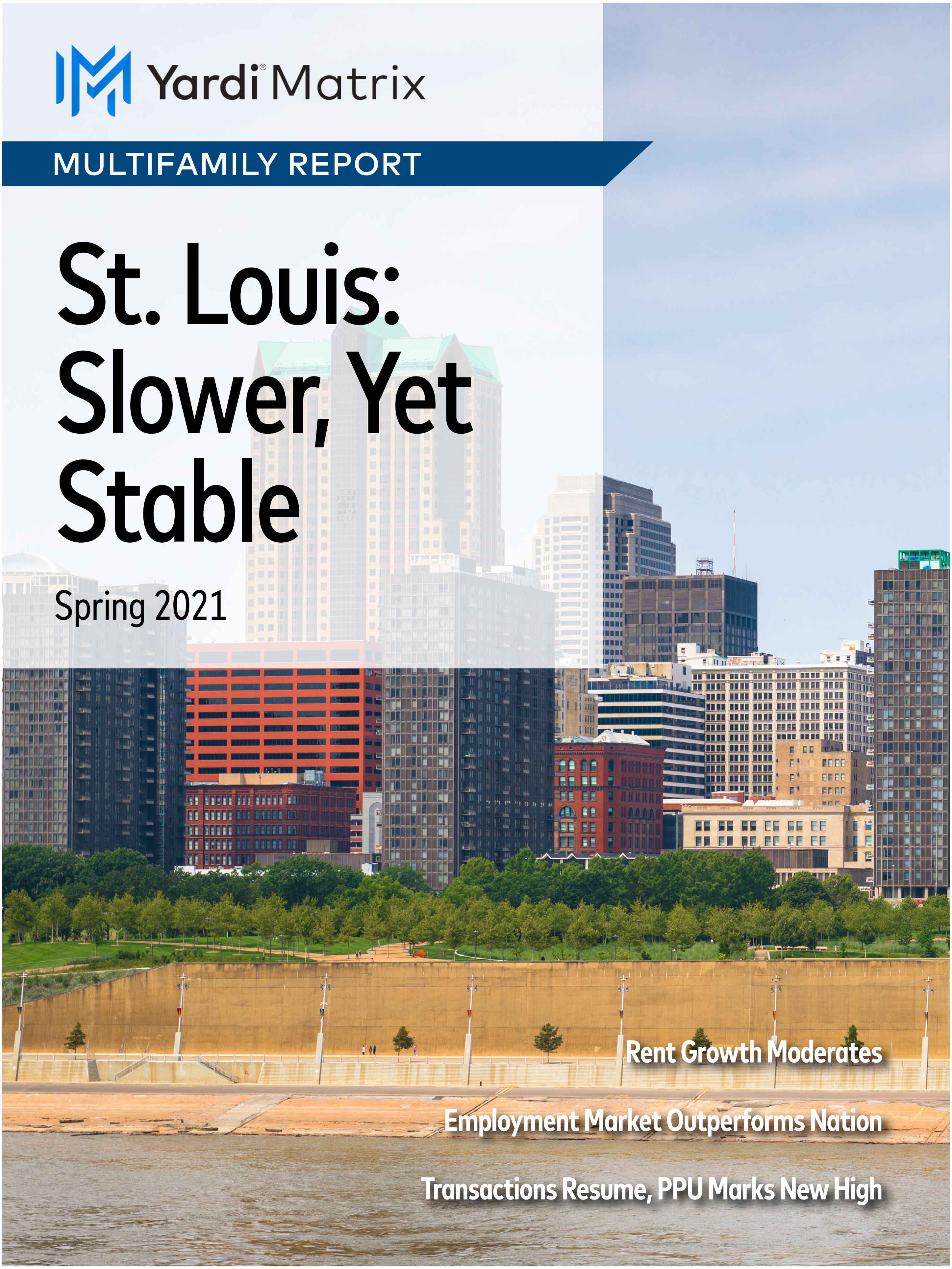
Yardi Matrix

MULTIFAMILY REPORT

St. Louis: Slower, Yet Stable

Spring 2021



Rent Growth Moderates

Employment Market Outperforms Nation

Transactions Resume, PPU Marks New High

ST. LOUIS MULTIFAMILY

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Robust Supply Will Likely Outpace Demand

St. Louis sustained minor damage from the pandemic compared to the national economy, but signs suggest its rebound will unfold more slowly. Its multifamily market responded proportionally—rent growth softened, marking a 0.1% uptick on a trailing three-month basis through March to $1,003, while the U.S. average rose 0.3% to $1,407. Demand has kept up with the elevated supply so far, but the metro's shrinking population will likely continue to moderate rent growth.

The unemployment rate dropped to 5.5% in January, with February preliminary data pointing to 5.1%. The employment market slid 5.3% in 2020, outperforming the -6.8% U.S. rate. However, St. Louis continues to experience a shortage of workers with knowledge and skills and this could hinder growth in the long run. An indicator of this deficiency is the performance of the local economy. Only one sector gained jobs—other services—up by 3.9% during the period. Financial activities and mining, logging and construction remained flat.

Developers had 4,491 units under construction and 401 newly delivered as of March. Meanwhile, transaction activity amounted to $175 million, for a price per unit that appreciated by 26.3% year-over-year through March, to $148,386, marking a new high.

Recent St. Louis Transactions

Fieldpointe of St. Louis

City: St. Louis
Buyer: JRK Property Holdings
Purchase Price: $59 MM
Price per Unit: $184,373

The District

City: St. Louis
Buyer: FPA Multifamily
Purchase Price: $46 MM
Price per Unit: $106,650

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