

YARDI® Matrix

Steady In St. Louis

Multifamily Winter Report 2017

Hospitality Leads Job Gains

Construction Targets City Core

Property Values Hit Record High

ST. LOUIS MULTIFAMILY

YARDI® Matrix

Market Analysis

Winter 2017

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Forward Momentum

St. Louis is enjoying a spell of solid employment and rent growth, which has pushed investor activity to cycle highs. Both transaction volume and per-unit prices increased in 2016, as the high acquisition yields of assets and low barriers to entry facilitated interest from investors priced out of larger core and secondary markets.

Driven by growth in hospitality, trade, transportation and construction, St. Louis is also focusing on increasing its number of technology- and information-related jobs. The Cortex Innovation community is a project meant to improve the metro's standing with tech companies, continuing the push for the addition of science, technology, engineering and math (STEM) jobs in the area. The expansion of Southwest Airlines at Lambert Airport bodes well for mobility to and from the city.

More than 3,000 apartment units are under construction, the bulk of which will be added to the market's core. High rents and proximity to Washington University have helped the University City/Maplewood submarket lead the metro for both rent growth (21.7%) and actual rent (\$1,724) in 2016. The submarket also boasts the most intense development activity, with more than 800 units underway. As occupancy is trending below 95% and multifamily stock continues to expand, we expect moderate rent growth to continue, producing a 3.1% gain for 2017.

Recent St. Louis Transactions

Sun Valley Lake



City: St. Charles, Mo.
Buyer: Priderock Capital Partners
Purchase Price: \$55 MM
Price per Unit: \$81,020

The Retreat at Seven Hills



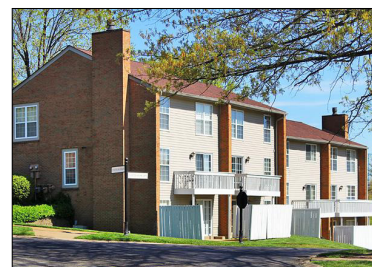
City: Ballwin, Mo.
Buyer: Monarch Investment & Mgmt.
Purchase Price: \$51 MM
Price per Unit: \$95,865

Oxford Hills



City: St. Louis
Buyer: Aragon Holdings
Purchase Price: \$47 MM
Price per Unit: \$97,111

The Arlington



City: St. Louis
Buyer: Trinity Property Consultants
Purchase Price: \$40 MM
Price per Unit: \$140,657

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