



MULTIFAMILY REPORT

St. Louis Plays to Its Strengths

May 2022

Pipeline Remains Consistent

Q1 Per-Unit Price Marks New High

Western Submarkets Lead Rent Growth

ST. LOUIS MULTIFAMILY



Demand Boosts Rents, Occupancy

St. Louis' multifamily market ended the first quarter on a positive note, with healthy fundamentals across the board. Rents rose 0.6% on a trailing three-month basis through March to \$1,125, a rate that keeps the metro among the country's relatively affordable markets, well below the \$1,642 U.S. average. Increased demand in the Renter-by-Necessity segment is mirrored by its evolution, with rent growth, occupancy and transactions all outperforming the Lifestyle segment.

St. Louis unemployment stood at 3.7% in February, on par with Missouri and 10 basis points above both the Illinois and U.S. rates. Still, the local economy has not yet stabilized but is on track to reach the target. Employment posted a 2.6% expansion (40,400 jobs) in the 12 months ending in February, on a softening trend since October. The metro's progress in diversifying is making strides—the National Geospatial Intelligence Agency stands as anchor for a new sector and recently opened its first lab space.

Developers had 5,112 units under construction as of March, but deliveries marked a slowdown, which is consistent with the metro's pattern. Meanwhile, transaction activity remained elevated in the first quarter, with \$304 million in multifamily assets changing ownership, for a price per unit that rose 24.4% year-over-year to \$187,230, but still trailed the \$213,402 U.S. rate.

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Recent St. Louis Transactions

Glen at Bogey Hills



City: St. Charles, Mo.
Buyer: Priderock Capital Partners
Purchase Price: \$92 MM
Price per Unit: \$189,648

The Arlington



City: St. Louis, Mo.
Buyer: Briar Capital Management
Purchase Price: \$81 MM
Price per Unit: \$284,036

Grand Flats



City: St. Louis, Mo.
Buyer: Balke Brown
Purchase Price: \$42 MM
Price per Unit: \$342,432

Millennium at Creve Coeur



City: Creve Coeur, Mo.
Buyer: Priderock Capital Partners
Purchase Price: \$36 MM
Price per Unit: \$193,383