



MULTIFAMILY REPORT

St. Louis' Pace Tempers

October 2022

Development Activity Trails U.S.

Job Market Expansion Slowing Down

Transaction Volume Dampens Midyear

ST. LOUIS MULTIFAMILY



Demand Keeps Up With Slowing Supply

Recovery has been slower in St. Louis, as the metro significantly lags its pre-pandemic metrics. But the St. Louis multifamily market has its bright spots—rent gains surpassed the national rate for the first time in 20 months, up 0.8% on a trailing three-month basis as of August, to \$1,174, making the metro one of the most affordable in the country. The occupancy rate in stabilized properties kept up with robust supply additions and inched up 10 basis points in the 12 months ending in July, to 95.6%.

The unemployment rate clocked in at 3.2% in July, 40 basis points higher than the June figure, but outperformed Illinois (4.4%) and the U.S. (3.5%), according to preliminary data from the Bureau of Labor Statistics. The employment market advanced 2.3% year-over-year as of June, continuing a softening trend that began in September 2021. Three sectors lost jobs—government, education and health services, and financial activities. Professional and business services led gains, followed by the steady rebound of the leisure and hospitality sector. Good news could be coming from the Mississippi River's shore, as several redevelopment plans are being explored.

Developers delivered 858 units through August, marking a softening from a year ago, and had another 6,111 units under construction. Mirroring the national trend, investment activity also softened, with sales volume totaling \$642 million through August. The price per unit rose 26.7% this year, to \$171,661.

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Recent St. Louis Transactions

Legends Terrace



City: Eureka, Mo.
Buyer: Broadmoor Group
Purchase Price: \$54 MM
Price per Unit: \$241,861

Forest View



City: St. Louis, Mo.
Buyer: Pepper Pike Capital
Partners
Purchase Price: \$33 MM
Price per Unit: \$162,142

Brookmount



City: St. Peters, Mo.
Buyer: The Wellington Group
Purchase Price: \$16 MM
Price per Unit: \$121,592

Parkway



City: St. Louis, Mo.
Buyer: Benefit Finance Partners
Purchase Price: \$12 MM
Price per Unit: \$166,655