Yardi® Matrix

St. Louis' Cup Runneth Over

Multifamily Report Summer 2019

Rent Growth Trails US Average

Transaction Volume Reaches Cycle Peak

Manufacturing, Eds and Meds Drive Job Gains

ST. LOUIS MULTIFAMILY

Yardi® Matrix

Market Analysis
Summer 2019

Contacts

Paul Fiorilla
Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern
Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Author

Adriana Pop
Senior Associate Editor

Developers Ramp Up Construction

A former industrial hub, St. Louis is no duster, building on its past economic strength while tapping into new industries that can employ a diverse workforce, including tech talent. And while the metro's population growth may be stagnant, household creation continues at a healthy pace, boosting multifamily demand and generating upside potential for additional rent growth.

Manufacturing led employment gains in the 12 months ending in March, with the addition of 4,200 jobs. Education and health services, which gained 2,800 positions, is set to expand further, as new developments become operational, including SSM Health Saint Louis University Hospital, a $550 million academic center scheduled to open in 2020. Meanwhile, the National Geospatial Intelligence Agency is building a $1.8 billion headquarters in North St. Louis.

Drawn by the metro's high yields compared to primary markets, investors traded $791 million in assets in 2018, a cycle high. And despite a slow start to 2019, sales are expected to pick up in the second part of the year. Developers completed 1,885 units in 2018 and an additional 3,500 apartments were underway as of May. With absorption bound to keep up, we expect the average St. Louis rent to advance 2.3% this year.
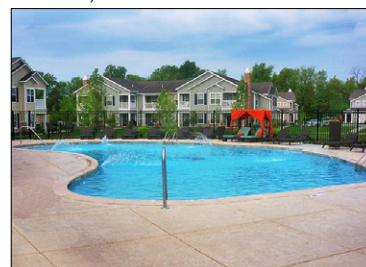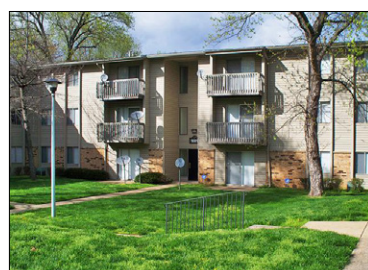
Recent St. Louis Transactions

Metro Lofts

City: St. Louis
Buyer: Altus Properties
Purchase Price: $65 MM
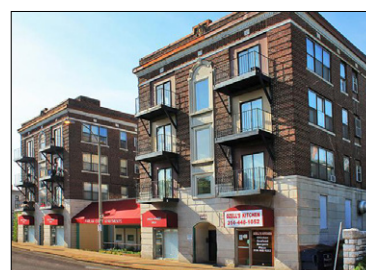Price per Unit: $305,477

Parkway Lakeside

City: O'Fallon, Ill.
Buyer: Timberland Partners
Purchase Price: $10 MM
Price per Unit: $44,496

Windham Chase

City: St. Louis
Buyer: T.E.H. Management
Purchase Price: $7 MM
Price per Unit: $34,067

Forest Park

City: St. Louis
Buyer: Odin Properties
Purchase Price: $4 MM
Price per Unit: $27,778