



MULTIFAMILY REPORT

St. Louis: No Time For The Blues

May 2023

A photograph of the St. Louis skyline featuring the Gateway Arch and several skyscrapers. The sky is a mix of purple, pink, and blue, suggesting a sunset or sunrise. In the foreground, there are trees with autumn foliage and a bridge with cars.

Rent Growth Remains Stable

Occupancy Slides, Still Above 95%

Construction Starts Remain High

ST. LOUIS MULTIFAMILY



Fundamentals Improve As Economy Endures

St. Louis' multifamily fundamentals remained steady, though gains were moderate. Rates inched up 0.1% on a trailing three-month basis through March, to \$1,183. Meanwhile, occupancy kept up with the substantial supply expansion and decreased just 40 basis points in the 12 months ending in February, to a still strong 95.1%.

The unemployment rate stood at 2.8% in February, surpassing Illinois (4.5%) and the U.S. (3.6%) but lagging Missouri (2.6%), according to preliminary data from the Bureau of Labor Statistics. The job market—in expansion mode since September 2021—grew just 1.9%, or 20,800 positions, last year, well behind the 3.7% national figure. Two sectors contracted, losing a combined 8,200 positions, while gains were led by professional and business services (9,100 jobs) and leisure and hospitality (5,900 jobs). The latter will likely get a boost from the metro's new 22,500-seat stadium, CityPark, which was completed last November ahead of the 2023 MLS season. Several other major projects are underway, including Lighthouse Point and Gateway South.

Developers delivered just 87 units during the first quarter but had an additional 7,004 apartments under construction. Meanwhile, investors traded \$129 million in multifamily assets in 2023 through March, at an average per-unit price that climbed to \$224,862, surpassing the \$196,544 U.S. figure.

Market Analysis | May 2023

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Anca Gagiuc

Senior Associate Editor

Recent St. Louis Transactions

The View at Forest Park



City: St. Louis
Buyer: Beitel Group
Purchase Price: \$69 MM
Price per Unit: \$230,003

Bold on Blvd



City: St. Peters, Mo.
Buyer: Raven Capital Group
Purchase Price: \$60 MM
Price per Unit: \$219,174

Hillvale



City: St. Louis
Buyer: Steele Properties
Purchase Price: \$31 MM
Price per Unit: \$212,329

Longacre Ponds



City: Fairview Heights, Ill.
Buyer: Catalyst Property Solutions
Purchase Price: \$20 MM
Price per Unit: \$77,381