

YARDI® Matrix

St. Louis' Health Care Binge

Multifamily Winter Report 2016

**BJC Healthcare,
Monsanto Expand**

**Multifamily Rents
Remain Tepid**

**St. Charles, University
City/Maplewood Top
Investment Charts**



ST. LOUIS MULTIFAMILY

YARDI® Matrix

Market Analysis

Winter 2016

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Struggling to Keep Up the Pace

Like most Midwest metros, St. Louis has been experiencing only modest growth during the recovery. As traditional drivers such as manufacturing and agriculture face challenges, the metro's economy is increasingly reliant on other areas, such as its booming health care and biotech research sector. More than 5,000 new jobs were generated in this segment alone in the past year, driving job growth and fueling demand for multifamily. And growth should continue, as companies such as BJC Healthcare and Monsanto expand their presence in the region.

An example of the growth in technology and research is the Cortex District masterplanned community, which is expected to generate more than 4.5 million square feet of development and 13,000 permanent tech jobs. Employment is also strong in the leisure and hospitality sector, and the proposed National Car Rental Field is bound to spur further investment. The \$1 billion multipurpose stadium is expected to break ground in February 2016 and become the home of the St. Louis Rams or another NFL team.

The multifamily market is steady but lacks the robust growth of most markets nationally. Demand for units and new supply are weak. The population is stagnant, and supply growth for 2016 is expected to come in at less than 1% of stock. The metro's rent growth ranks among the weakest in the nation, and our forecast points to only modest improvement in 2016.

Recent St. Louis Transactions

Bridgeport Crossing



City: St. Louis, Mo.
Buyer: T.E.H. Management
Purchase Price: \$11 MM
Price per Unit: \$35,333

Chesterfield Village Townhomes



City: Chesterfield, Mo.
Buyer: Mayer Cos.
Purchase Price: \$16 MM
Price per Unit: \$140,649

Time Centre



City: St. Charles, Mo.
Buyer: CAPREIT
Purchase Price: \$47 MM
Price per Unit: \$81,744

Vinings of O'Fallon



City: O'Fallon, Mo.
Buyer: Somerset Partners
Purchase Price: \$11 MM
Price per Unit: \$113,878