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Steady Going In St. Louis

Multifamily Report Winter 2019

Rent Growth Remains Moderate

Education, Health Services Lead Job Gains

Per-Unit Price Drops as Investors Target RBN Assets

ST. LOUIS MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2019

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Rent, Job Gains Low But Steady

St. Louis' multifamily market continues to improve at a middling rate, as the metro's population and job market grow at below-average rates. Rents have increased moderately over the past year, reaching \$928, up 1.3% year-over-year through October, well below the 3.3% national average. The area's relatively low cost of living means that affordability levels are moderate. Meanwhile, an influx of financial services jobs has created additional demand for Lifestyle assets, keeping the segment's rent growth close to the metro's average rate over the past 12 months.

St. Louis gained 11,000 jobs in the year ending in September. With 8,100 jobs added, the education and health services sector led growth. Continued investment in new space at the Cortex innovation district aims to attract tech talent to the city, which would have a beneficial effect on the metro's economy, although impacts there will be slow to materialize.

Multifamily investment is likely to have a strong year, as 2018's total annual sales are likely to come in just below 2016's cycle peak of \$707 million. The overall performance of the apartment sector was solid. As of October, roughly 14,500 units were in different stages of development, of which more than 4,800 units were underway. Although below average, employment and rental gains are still positive, pointing to steady performance ahead.

Recent St. Louis Transactions

The Orion



City: St. Louis
Buyer: Brass Enterprises
Purchase Price: \$80 MM
Price per Unit: \$451,977

275 on the Park



City: St. Louis
Buyer: Emerald Equity Group
Purchase Price: \$64 MM
Price per Unit: \$160,000

The Villages at General Grant



City: St. Louis
Buyer: Monarch Investment and Management Group
Purchase Price: \$46 MM
Price per Unit: \$83,393

Schoettler Village



City: Chestefield, Mo.
Buyer: BH Equities
Purchase Price: \$36 MM
Price per Unit: \$120,666