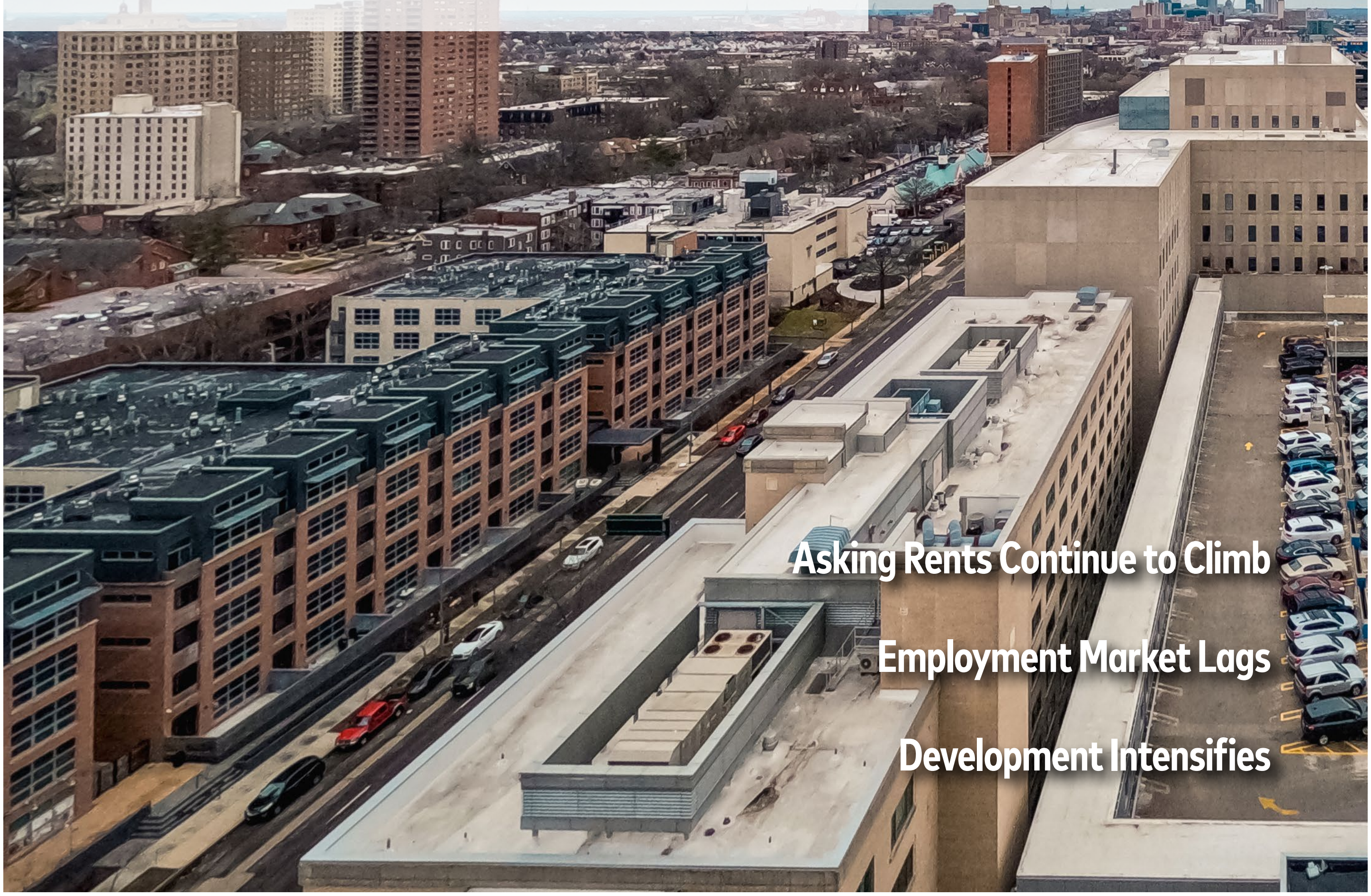
Yardi Matrix

MULTIFAMILY REPORT

St. Louis: Still In Growth Mode

May 2025



Asking Rents Continue to Climb

Employment Market Lags

Development Intensifies

ST. LOUIS MULTIFAMILY

Yardi Matrix

Rent Gains Withstand Rising Deliveries

The St. Louis multifamily market was poised for growth at the end of the first quarter of 2025. Average advertised asking rents increased 0.2%, on a trailing three-month basis through March, to $1,285, despite sustained stock expansion and a tepid job market. Gains also continued to outperform the nation, with the U.S. rate up 0.1%, to $1,755. Overall occupancy in stabilized properties slid 30 basis points year-over-year, to 93.2% in February.

Job gains in St. Louis decelerated to 0.3% as of January, while the U.S. rate stood at 1.0% for the fourth consecutive month. The metro shed 3,600 net jobs over 12 months. Still, the unemployment rate clocked in at 4.1% as of March, below the 4.2% U.S. and 4.8% Illinois rates but trailing Missouri (3.8%). Half of the metro's employment sectors lost jobs, with the steepest declines registered in leisure and hospitality (-7,800 jobs) and mining, logging and construction (-2,100 jobs). Gains were strongest in education and health services (6,000 jobs) and government (2,000 jobs). The manufacturing sector, which lost 1,900 net jobs, will soon benefit from Israel Chemicals Ltd.'s $547 million South County campus, which has been under construction since December.

Development intensified in 2024, and deliveries in 2025 through March amounted to 1,000 units, while another 4,418 units were underway. Meanwhile, investment slowed down, totaling just $41 million in the first quarter, with the price per unit at $103,896.

Market Analysis | May 2025

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Recent St. Louis Transactions

Oak Forest

City: St. Louis, Mo.
Buyer: Land & Apartments
Purchase Price: $55 MM
Price per Unit: $122,938

Hazelwood Forest

City: Hazelwood, Mo.
Buyer: Yellowstone Property Group
Purchase Price: $22 MM
Price per Unit: $129,350

Kingston

City: St. Louis, Mo.
Buyer: Heritage Hill Capital Partners
Purchase Price: $15 MM
Price per Unit: $253,487

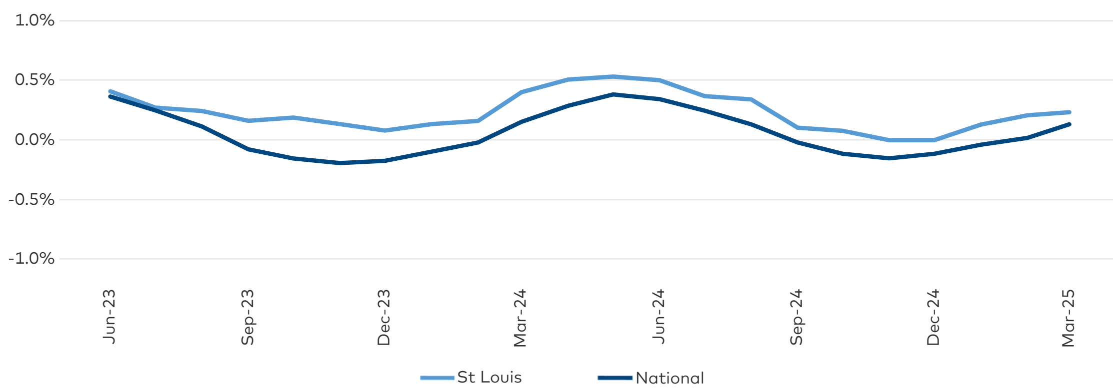
Storyboard on Rockwood

City: Shiloh, Ill.
Buyer: Storyboard Living
Purchase Price: $14 MM
Price per Unit: $87,315

RENT TRENDS

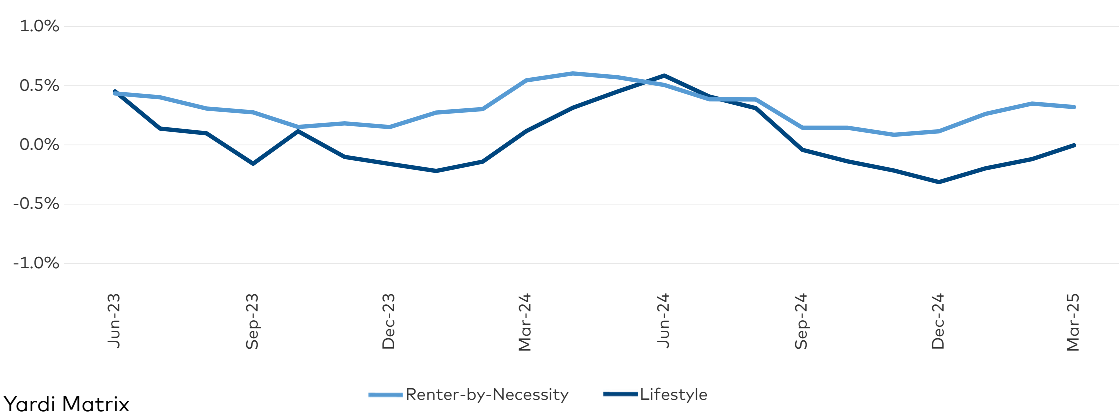
- The average St. Louis advertised asking rent rose 0.2%, on a trailing three-month (T3) basis through March, to $1,285, outperforming the U.S. rate since August 2022. The national figure was up 0.1%, to $1,755. Year-over-year, the disparity was even higher, with gains at 2.6% for the metro and 1.0% nationally.
- Working-class Renter-by-Necessity advertised asking rents were up 0.3%, on a T3 basis through March, to $1,143, while Lifestyle rates were flat, at $1,700, after five consecutive months of declines. In line with seasonal trends, in the past year Lifestyle rents saw the strongest T3 increase in June (0.6%), and the weakest in December (-0.3%). Meanwhile, RBN rents hiked 0.6% in May and June on a T3 basis and inched up 0.1% between September and December.
- The occupancy rate in stabilized properties fell 0.3% year-over-year through February across asset classes—to 93.4% in the RBN segment and 92.9% in Lifestyle. Overall, St. Louis occupancy inched down to 93.2%, while the national rate remained unchanged year-over-year, at a relatively healthy 94.5%.
- Of the 39 submarkets tracked by Yardi Matrix, rent movement was negative year-over-year in just two: St. Louis–Clayton Tamm (-2.6% to $1,565) and St. Louis–Forest Park (-1.5% to $1,511). The priciest submarkets as of March were University City/Maplewood (1.3% to $1,686) and St. Louis–Central West End (3.1% to $1,583).

St. Louis vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

St. Louis Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- St. Louis job gains fell below the 1.0% mark in January 2024 and remained on a decelerating path since then, slipping to 0.3% as of January 2025. The market lost 3,600 net jobs over 12 months. Meanwhile, the U.S. average stood at 1.0% for the fourth consecutive month in January. St. Louis unemployment stood at 4.1% in March, according to preliminary data from the Bureau of Labor Statistics. The rate stayed almost flat over 12 months despite some volatility. The metro's rate was close to the national average (4.1%) and Missouri's rate (3.8%), and outperformed Illinois (4.8%).

- St. Louis lost positions across five sectors, with the steepest drops recorded in leisure and hospitality (-7,800), mining, logging and construction (-2,100) and manufacturing (-1,900). Information and professional and business services lost 3,000 positions combined. Meanwhile, five sectors added jobs, led by education and health services (6,000) and government (2,000).

- Challenges persist in St. Louis' employment market. Spectrum Healthcare Resources announced it will cut 280 jobs at the end of May, while Edward Jones started a multiyear restructuring of its team in St. Louis, which will lead to administrative layoffs. On a more positive note, Israel Chemicals Ltd. broke ground on its $547 million South County campus, which should boost the manufacturing sector.

St. Louis Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
65	Education and Health Services	277.5	19.8%
90	Government	157.8	11.2%
80	Other Services	51.8	3.7%
55	Financial Activities	95.4	6.8%
40	Trade, Transportation and Utilities	264	18.8%
60	Professional and Business Services	211.4	15.1%
50	Information	27.5	2.0%
30	Manufacturing	114.3	8.1%
15	Mining, Logging and Construction	71	5.1%
70	Leisure and Hospitality	133.5	9.5%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- St. Louis' rate of population growth is one of the slowest in the country. The metro grew 0.8% between the 2010 Census and 2022, while the U.S. rate increased 8.9%.

- Between 2019 and 2022, the metro's population rose 0.3%, lagging the 2.0% U.S. rate.

St. Louis vs. National Population

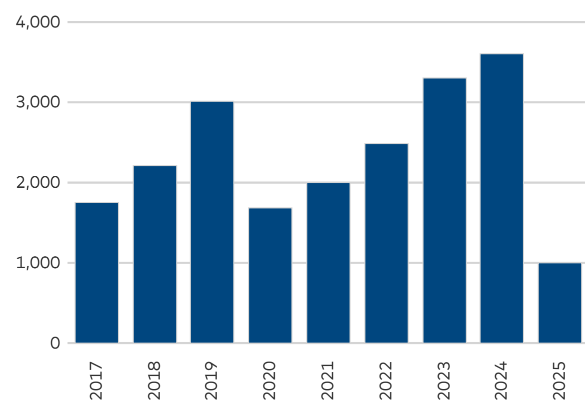
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
St. Louis	2,805,190	2,806,349	2,815,627	2,813,523

Source: U.S. Census

SUPPLY

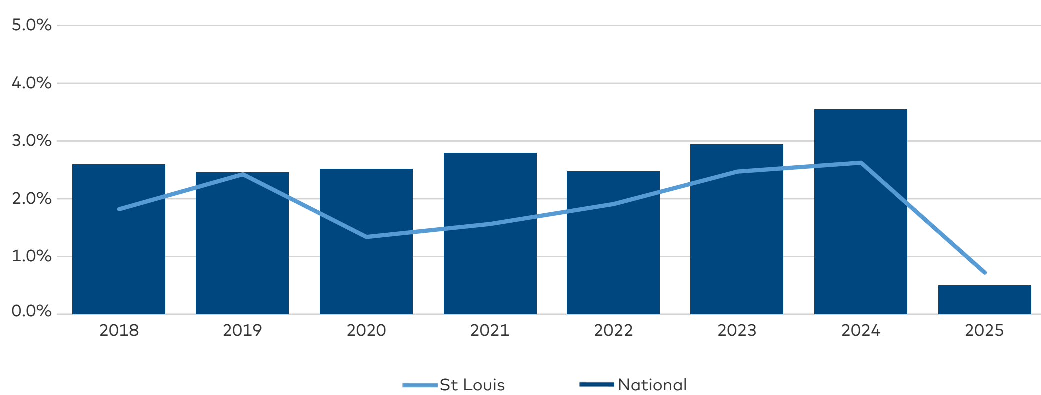
- Developers delivered 1,000 units in St. Louis during the first quarter of 2025, all of which were in the Lifestyle segment. That was the equivalent of 0.7% of existing stock and 20 basis points above the national rate. Last year, the metro's multifamily inventory expanded by 2.6% of total stock (3,605 units). Although the rate was 90 basis points below the U.S. figure, it marked the metro's highest pace of growth of the last 10 years. Completions in 2024 comprised 87.5% Lifestyle, 9.1% RBN and 3.4% units in fully affordable properties.
- The St. Louis construction pipeline encompassed 4,418 units underway as of March and another 21,000 in the planning and permitting phases. Of the apartments underway, 69.3% were in Lifestyle projects, 16.6% were RBN and 14.1% were fully affordable.
- Bucking the national trend, construction activity intensified in St. Louis, with 1,919 units across 12 properties breaking ground in 2024, more than double the 827 units across five properties that started construction in 2023. During the first quarter of 2025, developers broke ground on 250 units across three properties.
- Developers were active in 20 of the 39 submarkets tracked by Yardi Matrix, with the largest volumes underway recorded in St. Peters (844 units), Franklin County (510 units) and Illinois–Fairview Heights (344 units).
- The largest project delivered in 2025 through March was the 316-unit Timber Club in St. Peters. The Lifestyle property is owned by Tegethoff Development and was built with aid from a $58 million construction loan originated by Commerce Bank.

St. Louis Completions (as of March 2025)



Source: Yardi Matrix

St. Louis vs. National Completions as a Percentage of Total Stock (as of March 2025)

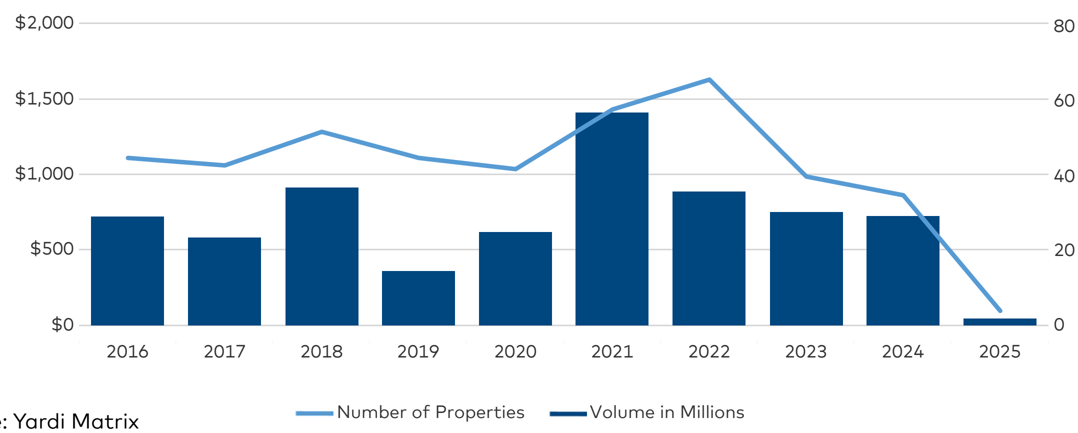


Source: Yardi Matrix

TRANSACTIONS

- Multifamily investment totaled $41 million in St. Louis during the first quarter of 2025, with three-quarters of properties sold located west of the Mississippi River. Last year's transaction volume reached $726 million, exceeding the $655 million average of the previous decade when excluding the outlier year of 2021, which registered $1.4 billion in transactions.
- Three of the properties that traded in the first quarter were RBN assets and one was a Lifestyle property. This sales composition led to a 9.5% year-to-date decline in the average price per unit, to $103,896 for the quarter. Meanwhile, the U.S. average rose 13.9%, to $220,599.
- Notable sales recorded in St. Louis in 2025 through March included Yellowstone Property Group's acquisition of a 168-unit asset from Sundance Bay located in an Opportunity Zone in Hazelwood/Bridgeton. The 1974-built RBN property traded with support from a $14 million loan originated by RRA Capital.

St. Louis Sales Volume and Number of Properties Sold (as of March 2025)



Source: Yardi Matrix

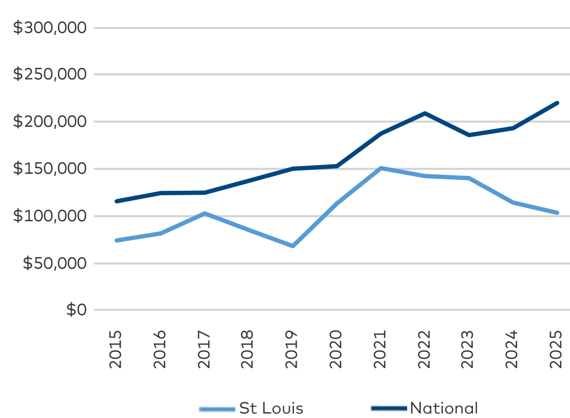
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Creve Coeur	118
O'Fallon	79
Chesterfield	73
University City/Maplewood	66
Maryland Heights	54
St. Louis–South	32
Florissant	32

Source: Yardi Matrix

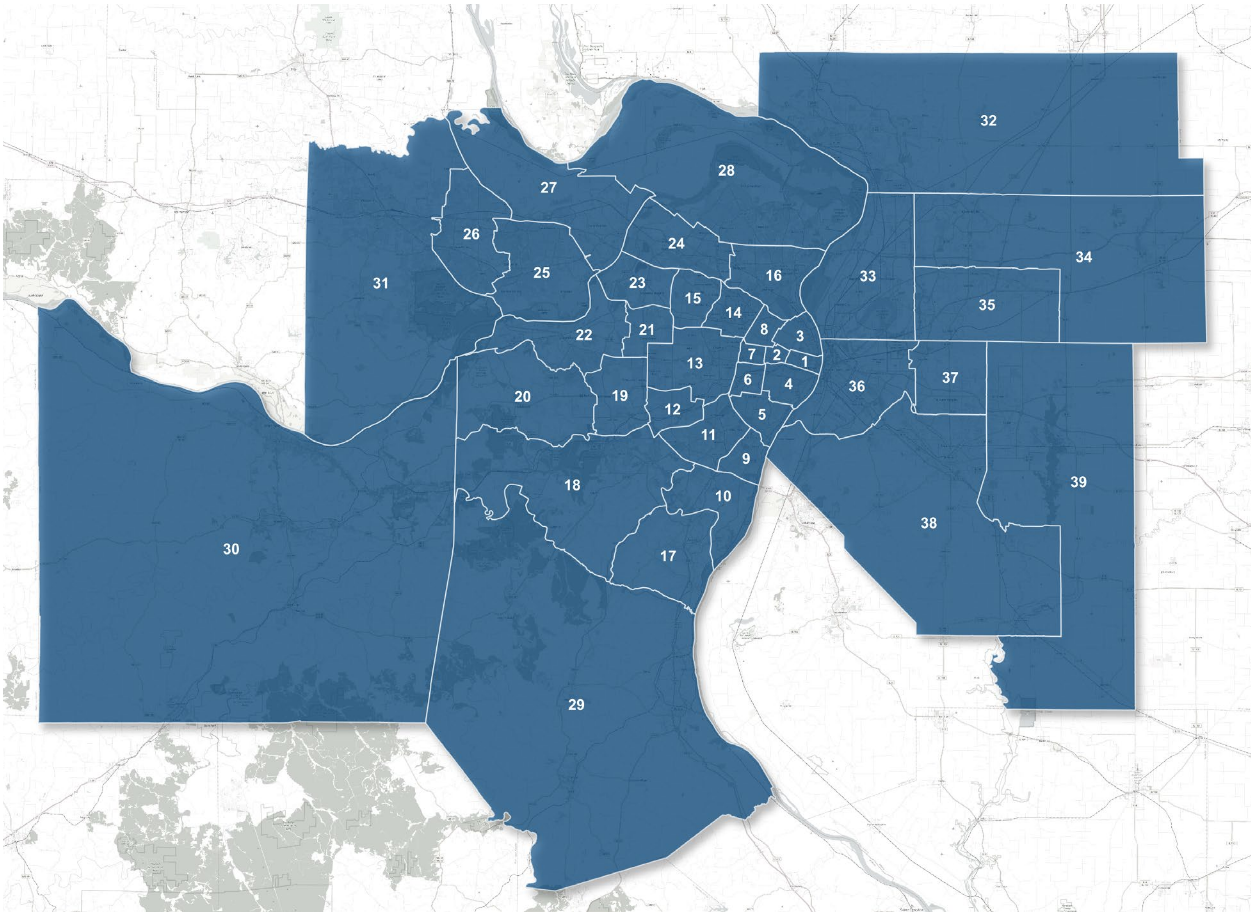
[1] From April 2024 to March 2025

St. Louis vs. National Sales Price per Unit



Source: Yardi Matrix

ST. LOUIS SUBMARKETS



Area No.	Submarket
1	St. Louis–Downtown
2	St. Louis–Central West End
3	St. Louis–North
4	St. Louis–Lafayette Square
5	St. Louis–South
6	St. Louis–Clayton Tamm
7	St. Louis–Forest Park
8	St. Louis–Northwest
9	Mehlville–North
10	Mehlville–South
11	Affton
12	Kirkwood
13	University City–Maplewood

Area No.	Submarket
14	Bel-Ridge
15	St. Ann–Overland
16	Ferguson
17	Arnold
18	Fenton–Eureka
19	Manchester–Valley Park
20	Ballwin
21	Creve Coeur
22	Chesterfield
23	Maryland Heights
24	Hazelwood–Bridgeton
25	St. Peters
26	O'Fallon

Area No.	Submarket
27	St. Charles
28	Florissant
29	Festus
30	Franklin County
31	Charles County
32	Illinois–Alton
33	Illinois–Granite City
34	Illinois–Edwardsville
35	Illinois–Collinsville
36	Illinois–East St. Louis
37	Illinois–Fairview Heights
38	Illinois–Belleville
39	Illinois–O'Fallon

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students,* who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households,* composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households,* which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

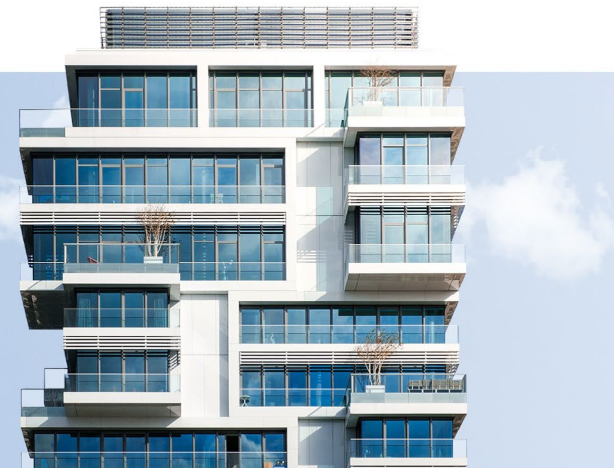
Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.

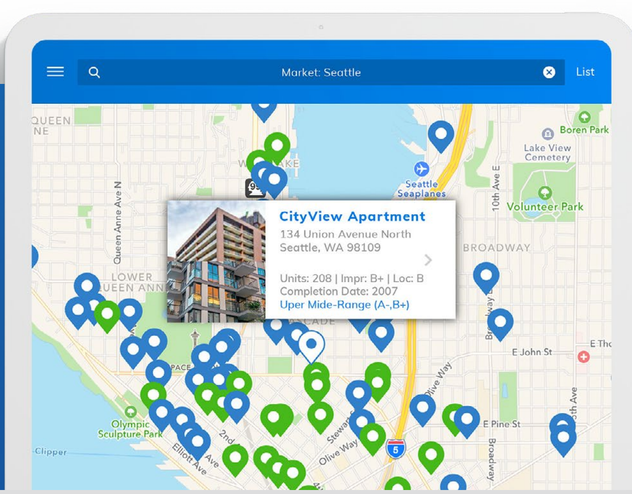
Yardi Matrix



Power your business with the industry's leading data provider

MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily provides accurate data on nearly **23 million units**, covering over **92% of the U.S. population.**

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