

Steady St. Louis

October 2025



YoY Rent Growth Leads US
Employment Market Weakens
Investors Focus on Value-Add Assets

ST. LOUIS MULTIFAMILY



PPU Rebound in Renter-by-Necessity Assets

St. Louis' multifamily fundamentals held steady as summer came to an end. Advertised asking rents rose 2.1% year-over-year through August, to \$1,312, well above the 0.7% U.S. increase. The occupancy rate for stabilized properties held steady at 93.4% in July. However, Lifestyle gains were outweighed by declines in RBN occupancy, with the rate lagging the 94.7% U.S. average.

The metro's employment declined 0.2% year-over-year through June (-4,200 net jobs), while the U.S. average held at 0.8%. Meanwhile, St. Louis' unemployment rose to 4.5% in July, above the U.S. and Missouri, and just below Illinois. Additions were concentrated in four sectors, led by education and health services and mining, logging and construction, offset by losses in six sectors, with the steepest drops in trade, transportation and utilities, professional and business services and information. Economic drivers include Barnes-Jewish Hospital's 16-story Plaza West Tower, scheduled to open in October, and Mercy's \$650 million Wentzville hospital, which is under construction.

Development moderated after 2024's peak, to 1,532 units delivered in 2025 through August, consisting entirely of Lifestyle units. The pipeline had 4,300 units underway, with new construction maintaining 2024 levels. Investors traded \$401 million in multifamily assets year-to-date, for an average price per unit that rose 41.5%, to \$165,362, on RBN strength. The figure was still below the \$209,364 U.S. rate.

Market Analysis | October 2025

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Recent St. Louis Transactions

The McKenzie



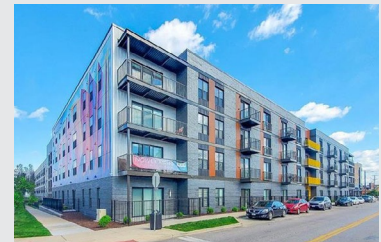
City: St. Louis, Mo.
Buyer: CS3 Investments
Purchase Price: \$74 MM
Price per Unit: \$295,482

The Station St. Peters



City: St. Peters, Mo.
Buyer: Bonaventure Senior Living
Purchase Price: \$36 MM
Price per Unit: \$202,222

Hue



City: St. Louis, Mo.
Buyer: AHM Group
Purchase Price: \$25 MM
Price per Unit: \$225,225

Courtyard Gardens

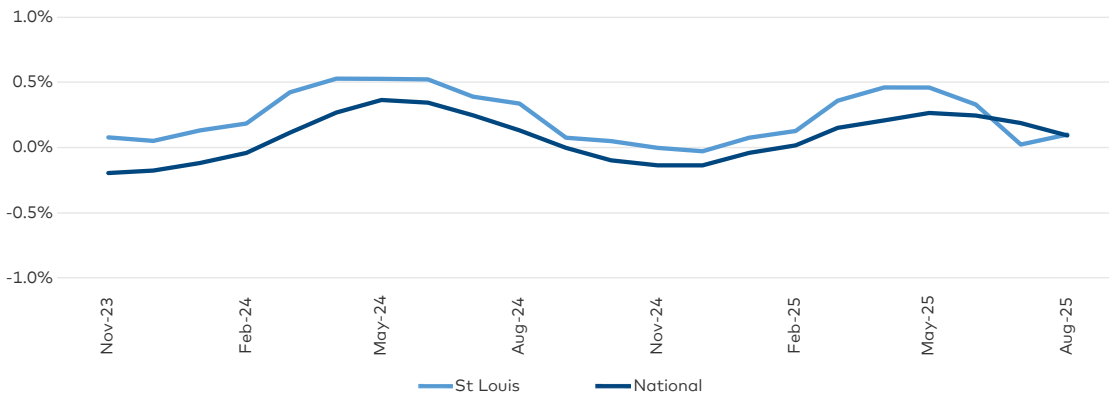


City: St. Louis, Mo.
Buyer: Yellowstone Property Group
Purchase Price: \$15 MM
Price per Unit: \$82,609

RENT TRENDS

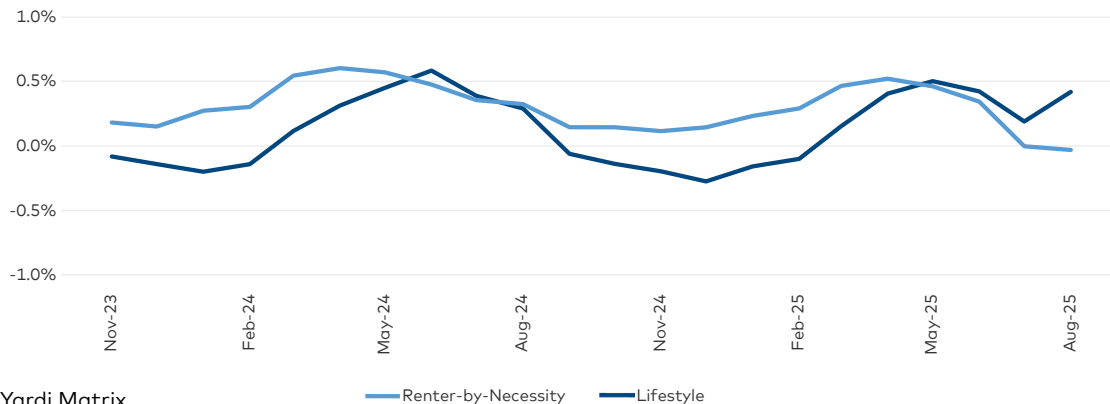
- ▶ St. Louis advertised asking rents inched up 0.1%, on a trailing three-month (T3) basis through August, to \$1,312, on par with the national rate, which rose to \$1,755. The metro's rent growth has registered slightly above the U.S. average over the past three years, except for a minor dip in July 2025. On a year-over-year basis through August, rents rose 2.1%, leading the 0.7% U.S. rate.
- ▶ Lifestyle average advertised asking rents sustained growth, up 0.4% on a T3 basis through August, to \$1,755. Meanwhile, Renter-by-Necessity rents remained unchanged for the second consecutive month at \$1,157 in August, and marked the weakest growth in 36 months.
- ▶ The occupancy rate in stabilized properties remained unchanged at 93.4% in July. The occupancy rate in the Lifestyle segment rose 30 basis points to 93.6%, while RBN occupancy was down 20 basis points, to an average of 93.3%. Meanwhile, the U.S. rate held at 94.7%.
- ▶ Of the 39 submarkets tracked by Yardi Matrix, all except four recorded rent increases year-over-year through August, led by Illinois–Granite City (10.2% to \$1,136), Mehlville–South (9.8% to \$1,209) and Illinois–Alton (8.9% to \$1,018). Rates increased in the top two priciest submarkets: University City/Maplewood (2.7% to \$1,706) and St. Louis–Clayton Tamm (6.1% to \$1,665), and decreased in the third, Chesterfield (-0.4% to \$1,588).

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

- ▶ The St. Louis employment market slipped into negative territory year-over-year through June, with the rate down 0.2%, or 4,200 net jobs, while the U.S. figure remained unchanged at 0.8%. The unemployment rate rose to 4.5% in July, the highest level since 2021, lagging the U.S. (4.2%) and Missouri (4.1%), and slightly lower than Illinois (4.6%), according to preliminary data from the Bureau of Labor Statistics.
- ▶ Only four of the 10 employment sectors gained jobs, adding 8,100 jobs combined, led by education and health services (5,700 jobs) and mining, logging and construction (1,800 jobs). The most significant losses were registered in trade, transportation and utilities (-3,400 jobs), professional and business services and information (each down by 2,100 jobs).
- ▶ Despite the cooldown, the metro doesn't lack projects to keep its economy going. These include Plaza West Tower, a new 16-story patient care building at Barnes-Jewish Hospital, slated to open in October. It includes 224 private inpatient rooms and 56 intensive care units, and is part of a broader \$1 billion redevelopment. Another notable project is the \$650 million Mercy Hospital in Wentzville, which started construction in April and will feature a 483,000-square-foot hospital campus on 60 acres, with completion slated for 2029.

St. Louis Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	278.9	19.3%
15	Mining, Logging and Construction	82.5	5.7%
90	Government	159.7	11.1%
55	Financial Activities	95.1	6.6%
70	Leisure and Hospitality	157.9	11.0%
30	Manufacturing	117	8.1%
80	Other Services	50.4	3.5%
50	Information	26.9	1.9%
60	Professional and Business Services	213.1	14.8%
40	Trade, Transportation and Utilities	260.1	18.0%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ St. Louis gained only 21,214 residents between 2010 and 2022, a 0.8% increase and well behind the 8.9% national rate.
- ▶ Following a 0.3% gain in 2021, the metro's population contracted 0.1% in 2022, while the U.S. average increased 0.4%.

St. Louis vs. National Population

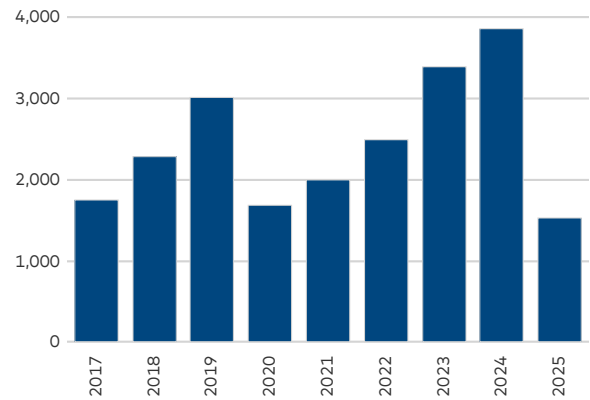
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
St. Louis	2,805,190	2,806,349	2,815,627	2,813,523

Source: U.S. Census

SUPPLY

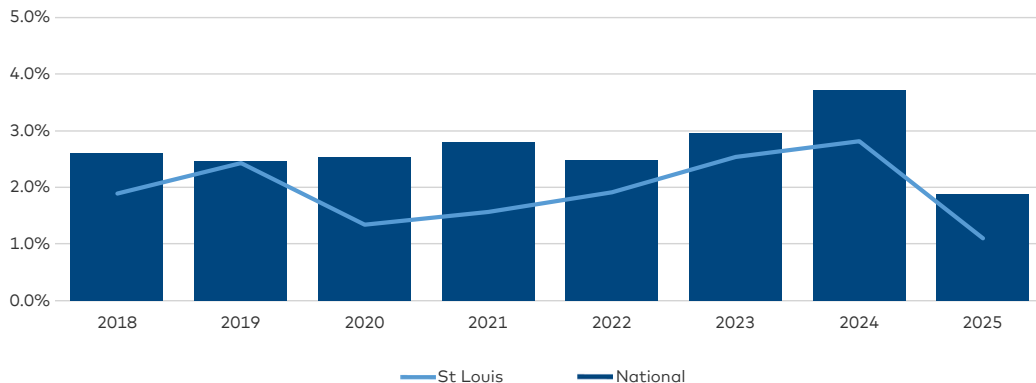
- ▶ Development activity has moderated in St. Louis, with deliveries totaling 1,532 units in 2025 through August. Accounting for 1.1% of the metro's existing inventory, the rate lagged the 1.9% U.S. and 2.0% decade averages. Nearly all deliveries in 2025 came online during the first quarter, except for a 72-unit asset completed in July in Charles County. Completions this year were all in the Lifestyle segment.
- ▶ The metro's construction pipeline had 4,300 units underway and another 21,000 in the planning and permitting phases. Unlike recent deliveries, the under-construction volume was split between Lifestyle (70%), RBN (17.6%) and fully affordable assets (12.4%).
- ▶ Construction starts kept pace with volumes recorded in 2024, as developers broke ground on 1,170 units across nine properties in 2025 through August, matching the 1,176 units across seven properties that started construction during the same interval in 2024.
- ▶ Development activity was spotty across the metro, with projects underway in 19 of the 39 submarkets tracked by Yardi Matrix as of August. Franklin County (524 units), Illinois—O'Fallon (418 units) and University City/Maplewood (404 units) led by unit volume.
- ▶ St. Peters gained 937 units, or nearly two-thirds of completions through August, across three properties. Two of these are also the largest projects delivered in 2025 through August—Terra West's 460-unit property and Tegethoff Development's 316-unit Timber Club. The latter was built with aid from a \$58 million construction loan originated by Commerce Bank.

St. Louis Completions (as of August 2025)



Source: Yardi Matrix

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



Source: Yardi Matrix

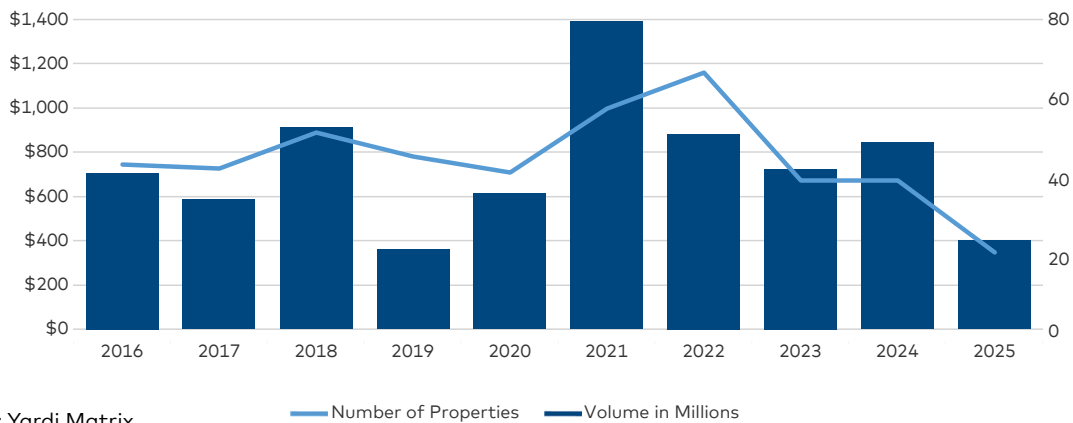
TRANSACTIONS

- ▶ Transaction activity was moderate in St. Louis, with investors trading \$401 million in multifamily assets in 2025 through August. The volume was 47.6% of last year's total and 54.4% of the annual average recorded over the past decade.
- ▶ The average price per unit in St. Louis rose 41.5% this year, to \$165,362 as of August, bolstered by an uptick in sales activity for the RBN segment, which accounted for nearly two-thirds of transactions. Despite the increase, the met-

ro's average per-unit price remained below the U.S. figure, up 8.3% to \$209,364.

- ▶ Notable sales recorded in St. Louis in 2025 through August include the transaction between seller Lux Living and buyer CS3 Investments, trading a 252-unit Lifestyle asset in University City/Maplewood. The sale was backed by a \$48 million Fannie Mae loan originated by Prudential Financial. The property was completed in 2024, with aid from a paid-off \$38 million construction loan issued by the Great Southern Bank.

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



Source: Yardi Matrix

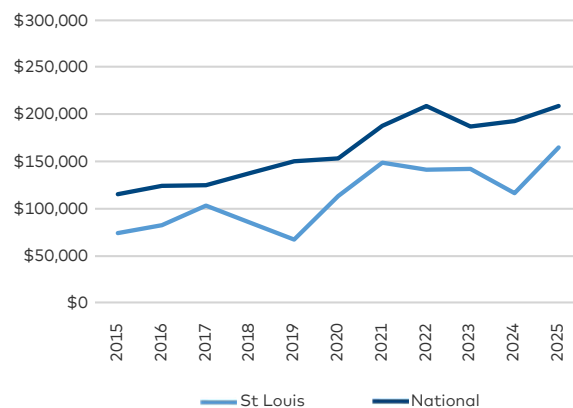
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
St. Charles	160
Creve Coeur	87
University City/Maplewood	74
Chesterfield	73
St. Peters	55
St. Louis–Downtown	34
St. Louis–Lafayette Square	25

Source: Yardi Matrix

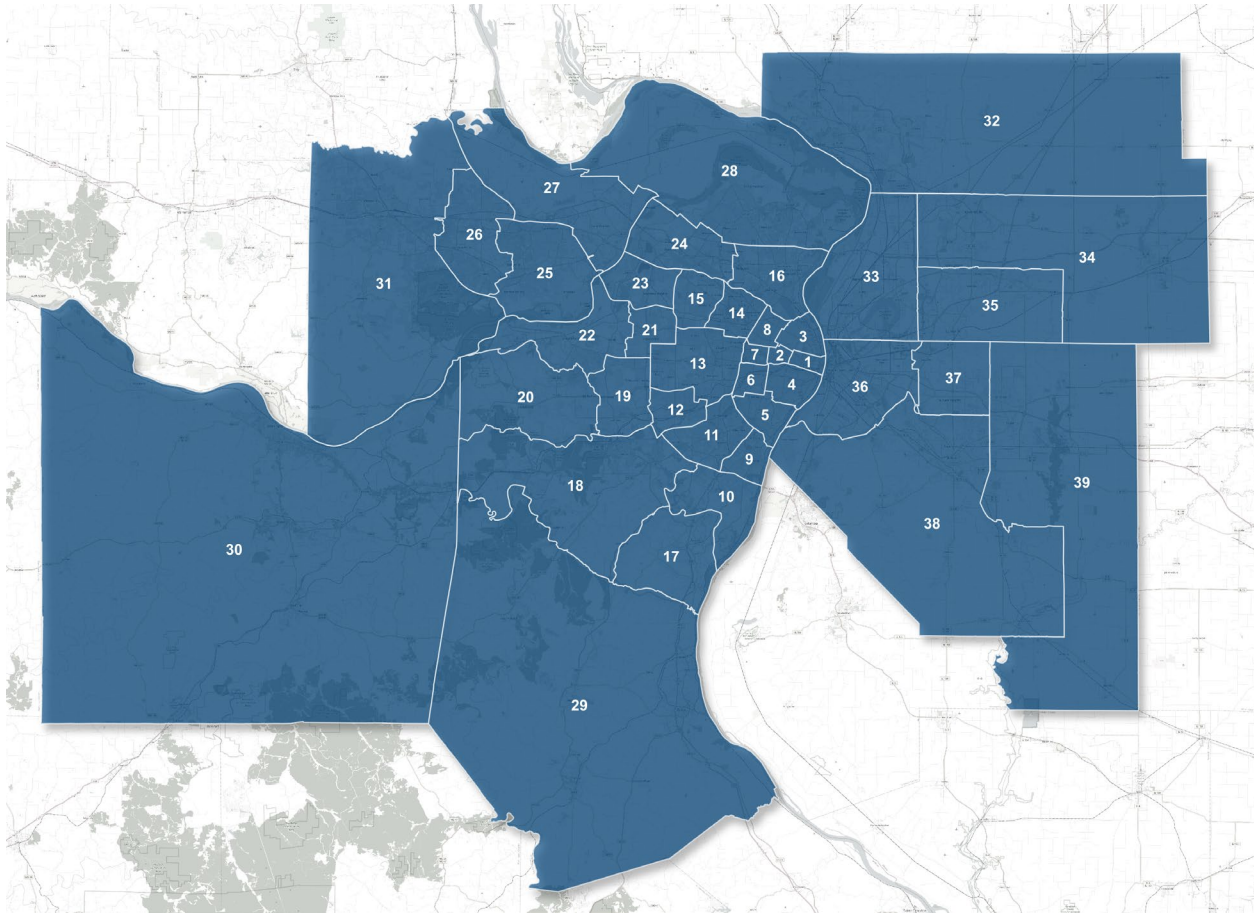
¹ From September 2024 to August 2025

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.

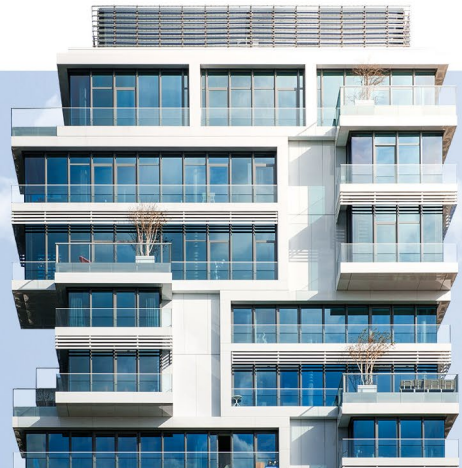
The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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