



MULTIFAMILY REPORT

St. Louis Remains Afloat

Summer 2020



Rent Gains Among the Highest in the US

Development Continues, Deliveries Stall

Per-Unit Price Marks New High

ST. LOUIS MULTIFAMILY



Demand Boosts Rent Improvements

With a slowly dwindling population and job performance below the national average, St. Louis' multifamily market has posted outstanding performance during the COVID-19 outbreak. Rent expansion remained strong, up 0.2% on a trailing three-month basis through June. The average rate reached \$982, well below the \$1,457 U.S. figure. Still, following last year's substantial stock expansion, the occupancy rate in stabilized properties slid to 93.6% as of May, down 90 basis points in one year.

The metro's job market turned negative—down 3.4% in the 12 months ending in May—with leisure and hospitality shrinking by nearly 40%. The unemployment rate, which stood at a tight 3.3% in February, rose to 11.0% in April and 11.3% in May. Since the coronavirus outbreak, more than 490,000 Missourians have filed unemployment claims. The reopening of businesses resulted in a spike in the number of coronavirus cases, which prompted local officials to announce new capacity restrictions for a four-week period.

Following last year's cycle peak, when more than 2,900 units came online, the inventory expansion plummeted—just 253 units were delivered in the first half of 2020. Meanwhile, transaction volume totaled \$249 million for an average per-unit price that rose by 74.5%. The volume was nearly on par with the same period last year, but most activity was registered in the first quarter.

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Recent St. Louis Transactions

Villages of Bogey Hills



City: St. Charles, Mo.
Buyer: Beitel Group
Purchase Price: \$85 MM
Price per Unit: \$174,211

The Standard



City: St. Louis
Buyer: Artisan Capital Group
Purchase Price: \$46 MM
Price per Unit: \$280,488

Meadowridge



City: St. Peters, Mo.
Buyer: Timberland Partners
Purchase Price: \$30 MM
Price per Unit: \$168,296

The Reserve at Heritage



City: St. Louis
Buyer: Avid Realty Partners
Purchase Price: \$3 MM
Price per Unit: \$26,835