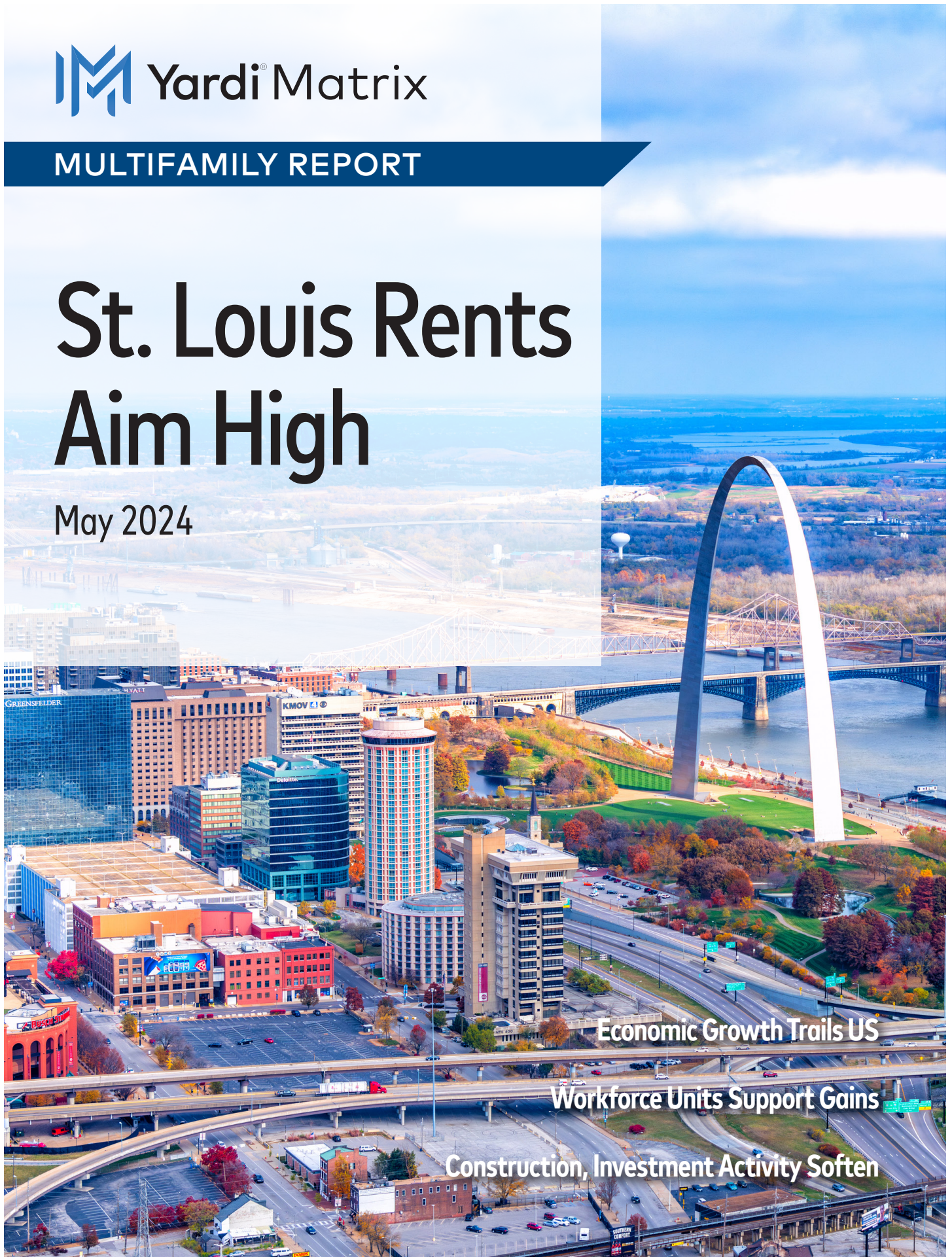




MULTIFAMILY REPORT

St. Louis Rents Aim High

May 2024



Economic Growth Trails US

Workforce Units Support Gains

Construction, Investment Activity Soften

ST. LOUIS MULTIFAMILY



Supply Hits Occupancy, But Rents Advance

Multifamily fundamentals were still mixed in St. Louis at the end of the first quarter but remained relatively sound. Rents grew by 0.4% on a trailing three-month basis through March, to \$1,236, double the U.S. rate of growth. Year-over-year, the market recorded a 3.1% increase—among the country's best—while the U.S. rate rose 0.9%, to \$1,721. Last year's robust deliveries left a mark on occupancy, which slid 160 basis points in the 12 months ending in February, to 93.3%.

St. Louis unemployment rose to 4.0% in February, recording the highest rate since August 2021. The metro wasn't far behind the U.S. (3.9%) but lagged Missouri (3.3%), according to preliminary data from the Bureau of Labor Statistics. In 2023, job growth decelerated to 1.7%, or 25,900 net jobs gained, trailing the 2.0% national rate. Two sectors lost jobs: professional and business services (-1,000 jobs) and government (-600). Last year, economic expansion mostly came from education and health services (10,500 jobs) and leisure and hospitality (9,000).

Developers delivered 946 units in the first quarter and had another 5,306 under construction. Despite relatively solid numbers, development is softening, as no new projects were recorded during the same period. Transactions also dwindled after a strong 2023. First-quarter multifamily sales totaled just \$71 million, for a price per unit that fell 27.6% compared to 2023's total, to \$109,169 as of March.

Market Analysis | May 2024

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Recent St. Louis Transactions

Arrive Brentwood



City: St. Louis
Buyer: FPA Multifamily
Purchase Price: \$77 MM
Price per Unit: \$235,015

The Lofts at 1 Thousand



City: St. Louis
Buyer: Oliver Properties
Purchase Price: \$29 MM
Price per Unit: \$138,214

Maryland Park



City: Maryland Heights, Mo.
Buyer: Worcester Communities
Purchase Price: \$28 MM
Price per Unit: \$109,335

Lofts@Euclid



City: St. Louis
Buyer: Alta Real Estate
Investments
Purchase Price: \$21 MM
Price per Unit: \$246,879