

ST. LOUIS, MO MULTIFAMILY REPORT

2023 | MIDYEAR



BERKADIA[®]



ST. LOUIS, MO EMPLOYMENT

Jobs Added / Lost

LAST 12 MONTHS

14,400

↑ 1.0%

NEXT 12 MONTHS*

-2,700

↓ 0.2%

Unemployment

MIDYEAR 2023

3.2%

↑ 60 BPS YOY

MIDYEAR 2024*

4.6%

↑ 140 BPS YOY

*Projected

As of midyear 2023, Great St. Louis's unemployment rate was at 3.2%, performing better than the national average. The metro's economy expanded 1.0% year over year, with employers adding 14,400 net jobs to local payrolls.

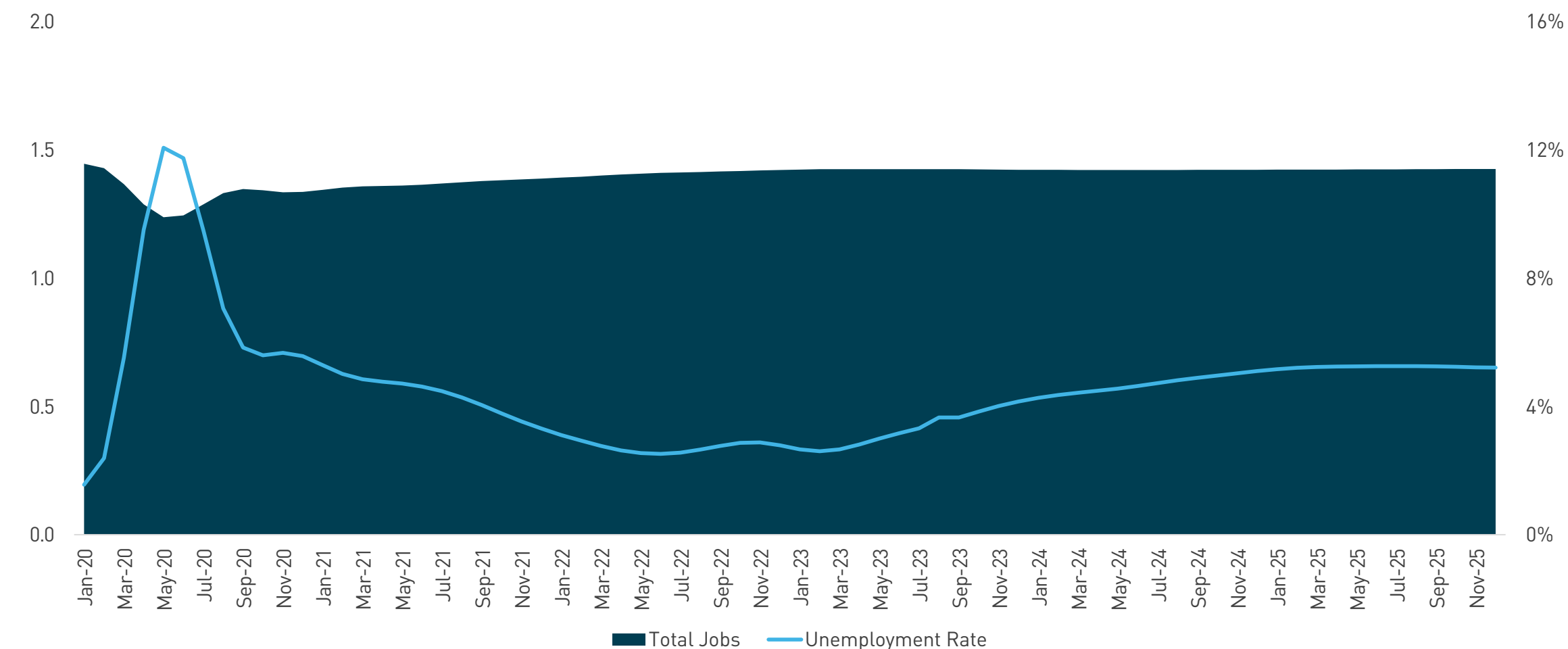
The leisure and hospitality sector grew the most, increasing 6.2% annually or by 8,700 jobs. This growth was underpinned by increased tourism in St. Louis. Attendance at Gateway Arch National Park was up 41% from one year prior, with a total of 1.6 million visitors in 2022.

Beyond the leisure and hospitality industry, multiple companies are expanding their presence in the Metro St. Louis. Boeing announced that they will invest \$1.8 billion

and add 500 high-quality jobs for their new aerospace programs. This marks one of the biggest defense projects in the St. Louis region's history, costing more than the National Geospatial-Intelligence Agency's headquarters that will be fully operational in 2025.

Boeing's development plans include construction of multiple buildings and leased space totaling a million square feet around the St. Louis Lambert International Airport. Once completed, the site would be able to support the roughly 16,000 current Boeing employees in the region. Meanwhile, Gulfstream is expanding at the St. Louis Downtown Airport, representing a total capital investment of \$28.5 million.

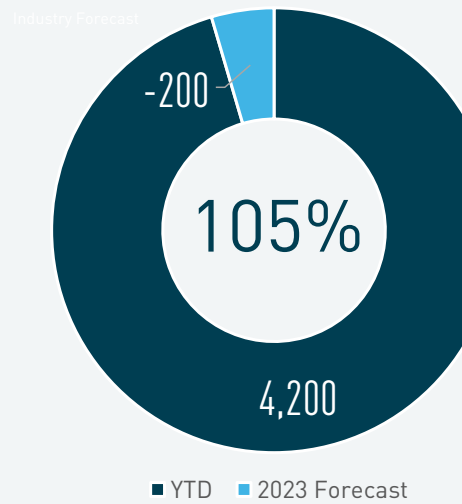
Employment Trends



Source: Moody's Analytics

Who's Hiring?

PRIVATE EDUCATION & HEALTHCARE INDUSTRY



19%
OF ALL JOBS IN THE METRO

\$87,300
AVERAGE ANNUAL SALARY

Top Private Education & Healthcare Employers

BJC HealthCare	29,600 JOBS
Washington University in St. Louis UNIVERSITY ADVANCEMENT	18,800 JOBS
MERCYHEALTH	15,400 JOBS

In The News

- [\\$1.8B expansion plan by Boeing would add 500 St. Louis area jobs](#)
- [Meridian Medical Technologies expands, more jobs for St. Louis region](#)
- [Gulfstream adding 200 jobs in Cahokia Heights](#)



ST. LOUIS, MO

DELIVERIES & ABSORPTION

2023 Units*

DELIVERIES

2,399

ABSORPTION

1,012

2024 Units*

DELIVERIES

3,567

ABSORPTION

2,150

*Projected

By the end of the year, Metro St. Louis is projected to see an uptick in net move-ins compared to one year prior. With 1,012 net units forecast to be absorbed in 2023, the market demand is on track to increase after a year of 860 move-outs.

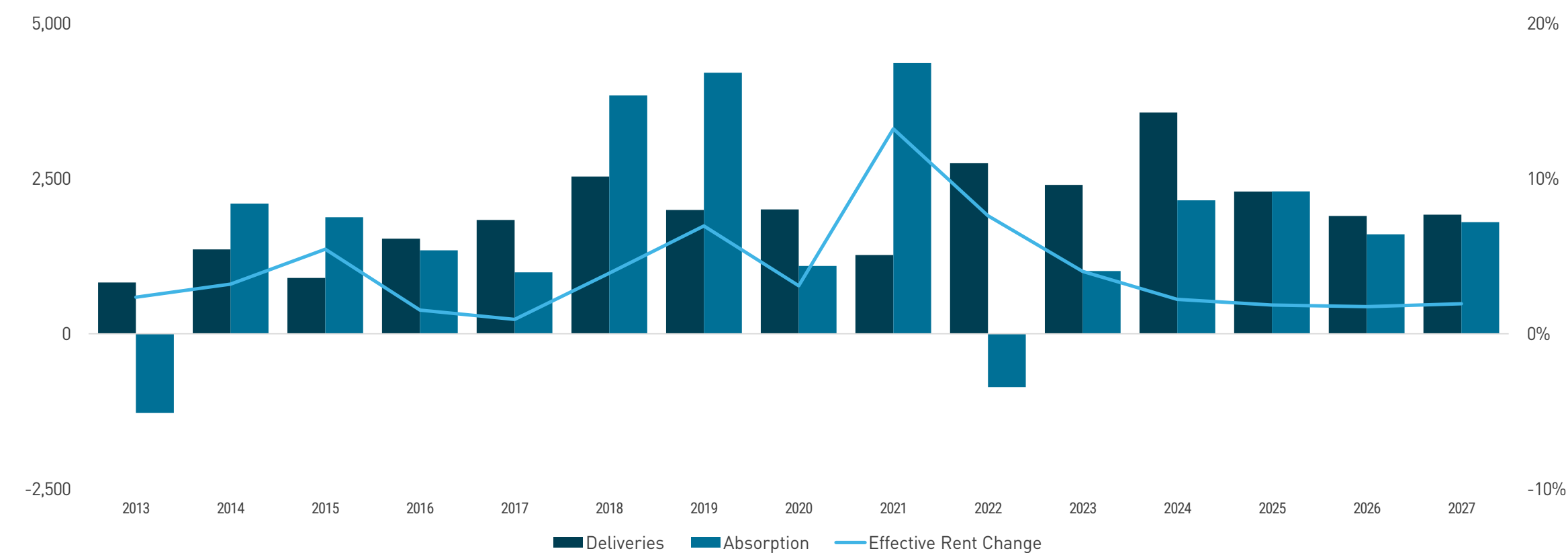
Leasing activity will continue to be the strongest in the St. Charles County submarket, where 8 in 10 net leases in the metro for 2023 will be signed. As one of the fastest growing counties in the nation, St. Charles County's increased demand is partially due to major employers in the area such as Amazon and Boeing.

The growth in net absorptions across the market was underpinned by renters seeking out higher-end

properties, especially new builds. In 2022, Greater St. Louis had the most deliveries in the past decade. Completions will persist this year and next with 2,399 units and 3,567 units respectively.

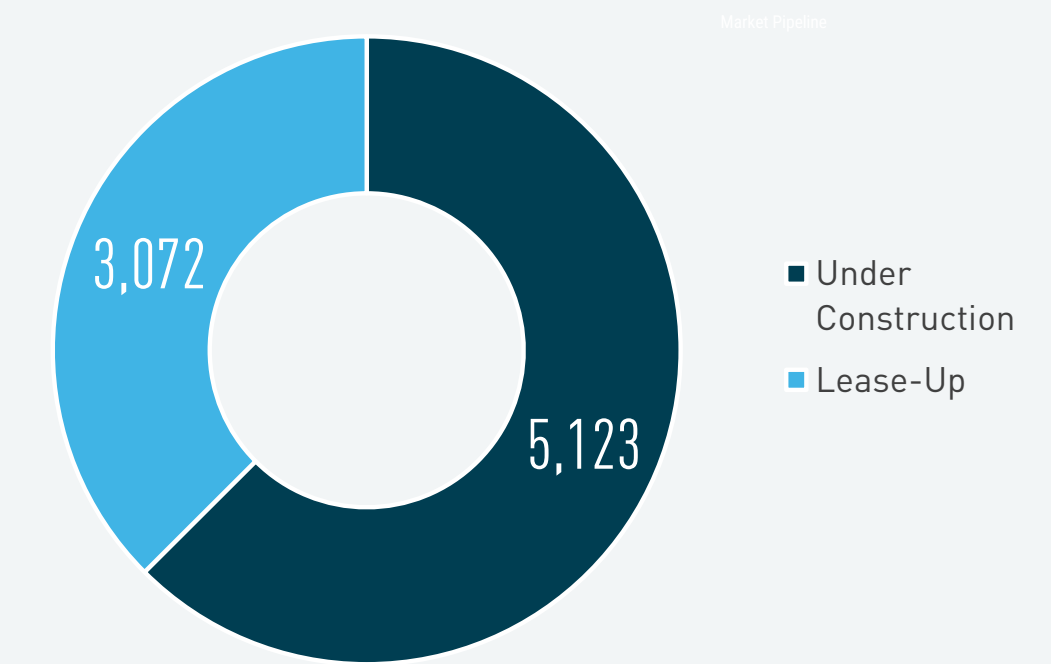
With over 5,000 units underway in the construction pipeline, The Staenberg Group began development on one of the region's most ambitious projects. Valued at \$3 billion, the Downtown Chesterfield redevelopment project will feature 3,300 multifamily units once completed after multiple phases of construction.

Deliveries, Absorption, & Effective Rent Change

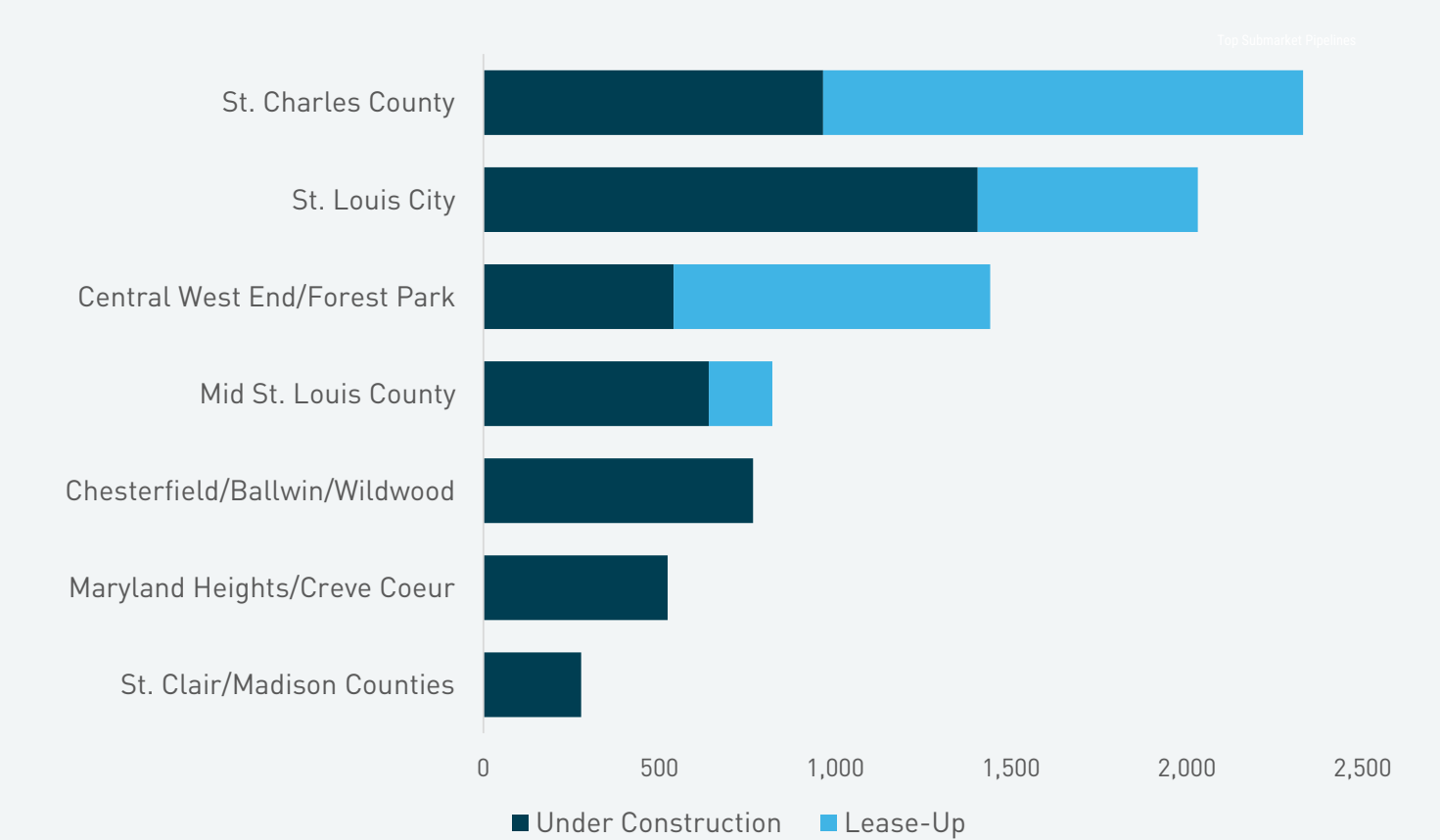


Source: RealPage

Market Pipeline



Top Submarket Pipelines

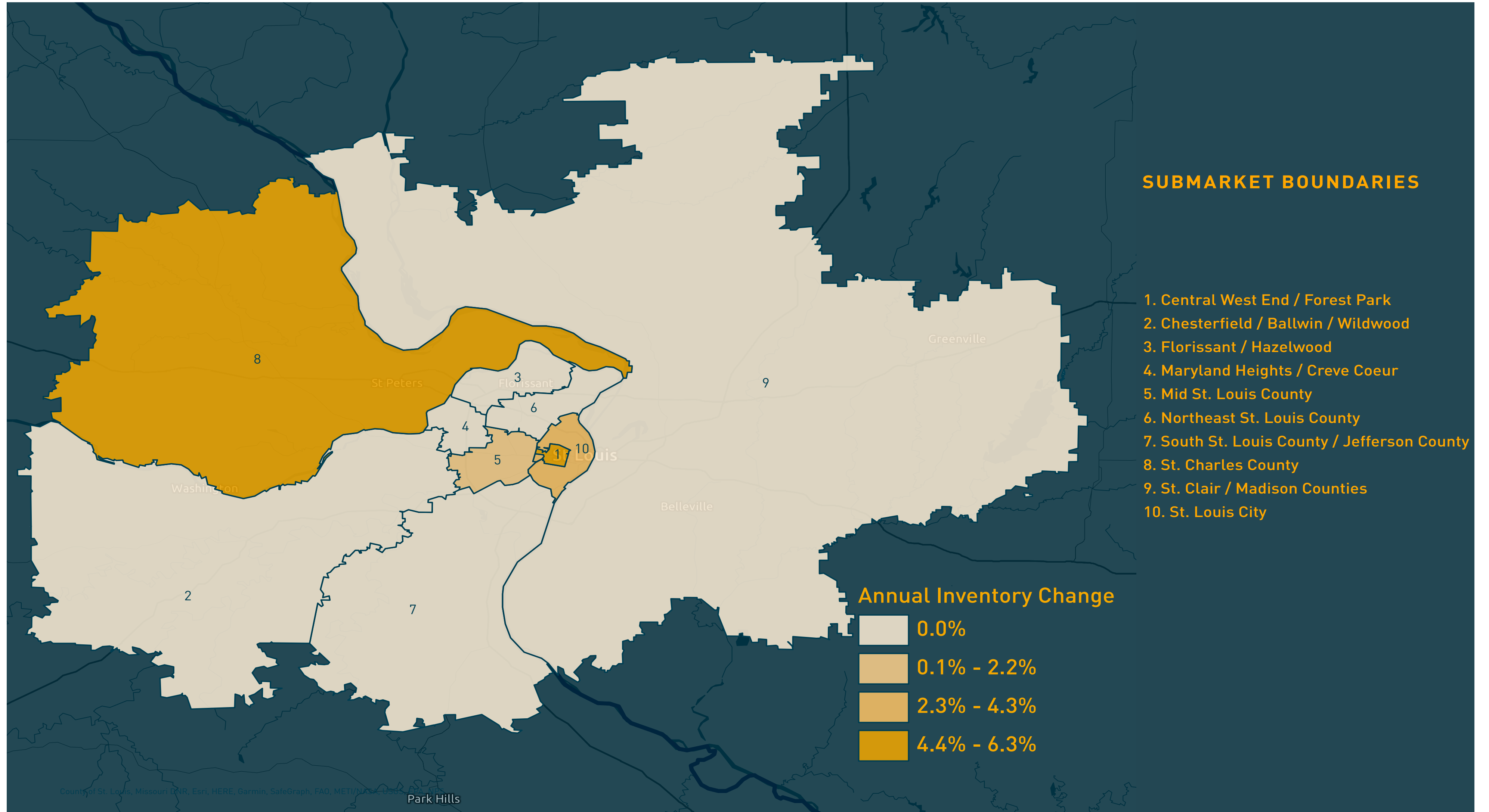




ST. LOUIS, MO

SUBMARKET ANNUAL INVENTORY CHANGE

Over the past year, the St. Charles County submarket had one of the highest annual inventory growth, compared to the others within Metro St. Louis. Expanding 5.9% annually, builders added 1,130 units since midyear 2002. Looking ahead, multifamily developers are still targeting St. Charles County, making it submarket with the most current development. As of the second quarter of 2023, 1,120 units were under construction. St. Charles County has been a construction hotspot due to its growing population. With its notoriety as one of the best places to live in Missouri, St. Charles County draws in new residents with their award-winning schools, multiple parks, and unique shopping and dining experiences. In April 2023, a new \$68 million mixed-use development was approved in the county. The apartment complex will include 190 units along with shops and restaurants.





ST. LOUIS, MO RENT & OCCUPANCY

Effective Rent

Q2 2023
\$1,251
↑ 6.6% YOY

Occupancy

Q2 2023
94.9%
↓ 100 BPS YOY

The St. Louis market's rent growth and occupancy rate both outperformed the nation. While the national effective rent rose 4.0% annually, St. Louis effective rent increased 6.6% to \$1,251 per month through the second quarter of 2023. Though the metro's annual rent growth has cooled after the pandemic, effective rent still increased above the pre-pandemic five-year average of 4.6%.

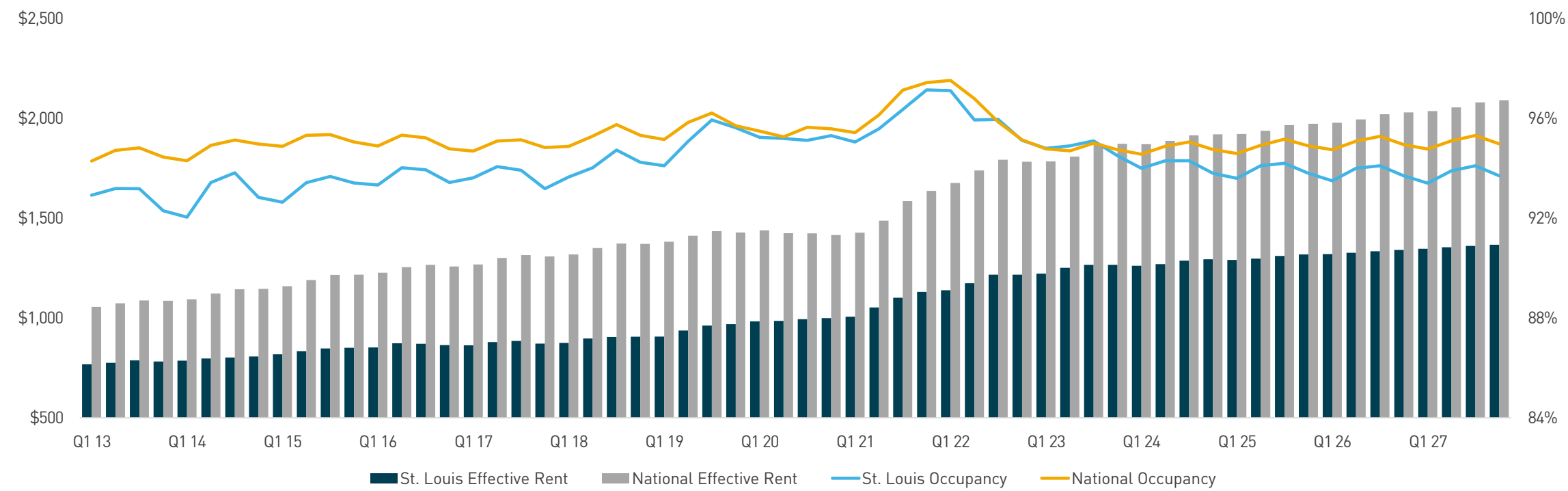
This annual rental increase was fueled by new residents moving to St. Louis. According to U-Haul's list of Growth Cities in 2022, St. Louis ranked 11th in the nation, being one of the few Midwest cities to make the list.

The consistent year-over-year rent grow has allowed apartment operators to drop concessions significantly.

Before the pandemic, 22% of units offered concessions, compared to an average of 7% in the second quarter of 2023.

Meanwhile, occupancy throughout the market was at 94.9% at the end of the second quarter of 2023, 20 basis points above the national average. With high levels of inventory coming into the market over the past year, local occupancy dropped 100 basis points annually. Despite the decline, the recent occupancy rate was 80 basis points above the five-year average leading up to the pandemic.

St. Louis vs. National Effective Rent & Occupancy



Source: RealPage

Submarket Performance

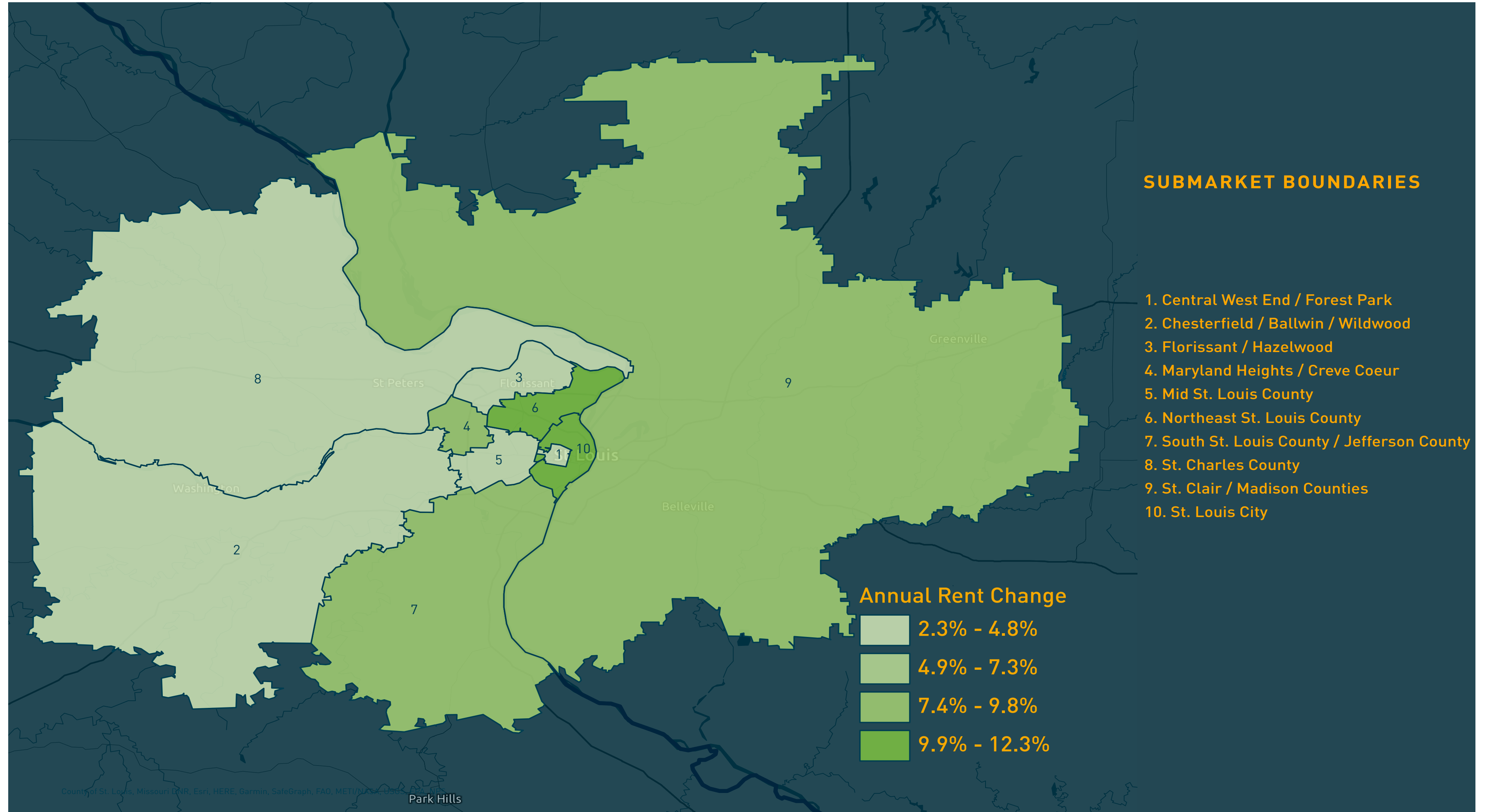
SUBMARKET NAME	Q2 2023 OCCUPANCY	YOY (BPS)	Q2 2023 EFFECTIVE RENT	YOY
Central West End/Forest Park	93.8%	-210	\$1,596	3.8%
Chesterfield/Ballwin/Wildwood	96.6%	-160	\$1,408	4.3%
Florissant/Hazelwood	93.8%	-150	\$984	2.3%
Maryland Heights/Creve Coeur	95.0%	-260	\$1,285	8.9%
Mid St. Louis County	94.7%	-70	\$1,607	3.7%
Northeast St. Louis County	91.4%	-90	\$813	11.4%
South St. Louis/Jefferson County	97.0%	-90	\$1,055	8.7%
St. Charles County	95.7%	-170	\$1,348	3.5%
St. Clair/Madison Counties	97.1%	-60	\$1,258	9.5%
St. Louis City	92.3%	220	\$1,203	12.3%



ST. LOUIS, MO

SUBMARKET ANNUAL RENT CHANGE

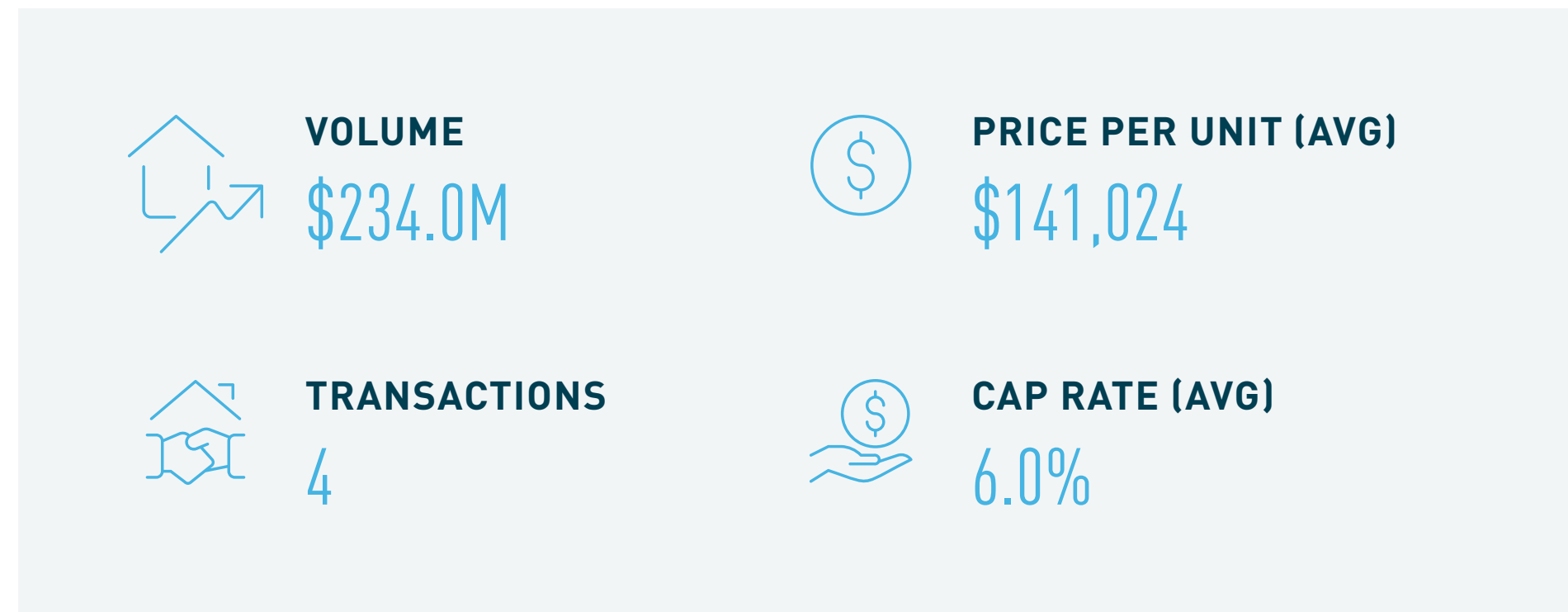
The St. Louis City submarket had the highest annual rent growth in the metro. Rising 12.3%, the submarket's average effective rent reached \$1,203 per month during the second quarter of 2023. As the only submarket with an annual increase in occupancy, the boost allowed apartment operators to raise rent prices. Compared to the other submarkets in the metro, St. Louis City offers a more affordable rent, a key demand driver for the submarket. St. Louis City boasts one of the strongest net absorption among the submarkets with 1,271 net move-ins during the past year. The submarket's healthy apartment fundamentals are partially due to its proximity to the metro's major employment hub, Downtown St. Louis. With notable employers such as Deloitte, PricewaterhouseCoopers, and Centene, nearly 60,000 employees work in Downtown.



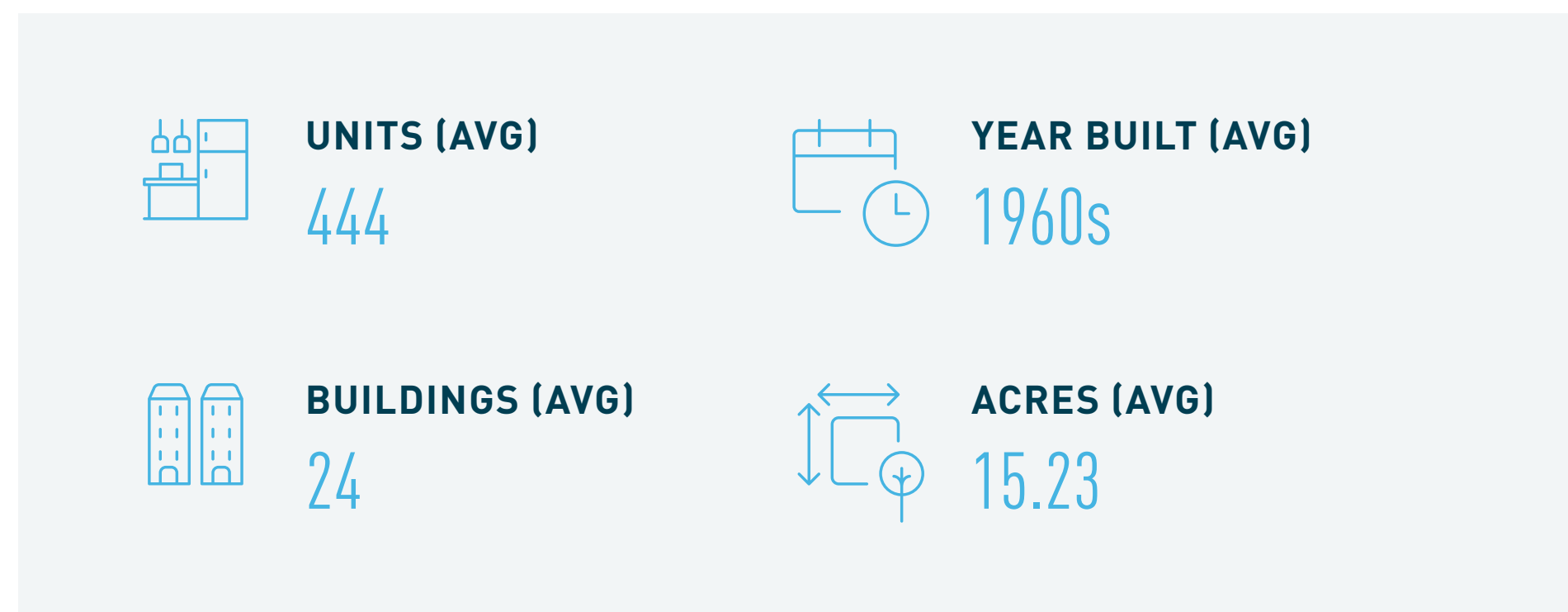


ST. LOUIS, MO SALES

2023 Year to Date*



What's Trading?*



Source: Real Capital Analytics
*\$10m+

Top Buyers**

BUYER	LOCATION
Beitel Group	Brooklyn, NY
Blackstone	New York, NY
Michelson Organization	Clayton, MO
Great Lakes Capital	South Bend, IN
Oro Capital Advisors	Beverly Hills, CA

Top Sellers**

SELLER	LOCATION
Mills Properties	Maplewood, MO
Strategic Properties of North America	Lakewood, NJ
FPA Multifamily	San Francisco, CA
Berkshire Residential Investments	Boston, MA
CA Ventures	Chicago, IL

**Past 24 Months

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Sources: RealPage; Moody's Analytics; Real Capital Analytics

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