

MARKETBEAT ST. LOUIS

Multifamily Q1 2022



YoY Chg 12-Mo. Forecast

7.0%
Vacancy Rate



+294
Net Absorption, units



\$1.25
Effective Rent, PSF



(50+ unit developments, excluding senior housing and military) Source: CoStar

ECONOMIC INDICATORS Q1 2022

YoY Chg 12-Mo. Forecast

1.4M
St. Louis Employment



4.1%
St. Louis Unemployment Rate



3.6%
U.S. Unemployment Rate



Sources: BLS, Moody's Analytics, St. Louis Business Journal
2022Q1 statistics are based on latest available data

ECONOMIC OVERVIEW

The unemployment rate in St. Louis ended the first quarter of 2022 at 4.1%, a 40 basis-point (bps) reduction since March 2021. The labor force is nearing full recovery from the COVID-19 pandemic, with the size of the St. Louis labor force being about 30,000 workers larger than it was at the end of 2021. As of the most recent observation from March 2022, the St. Louis labor force has risen to over 99.0% of its pre-pandemic size. The U.S. unemployment rate ended the first quarter of 2022 at 3.6%, 50 bps below the unemployment rate in St. Louis.

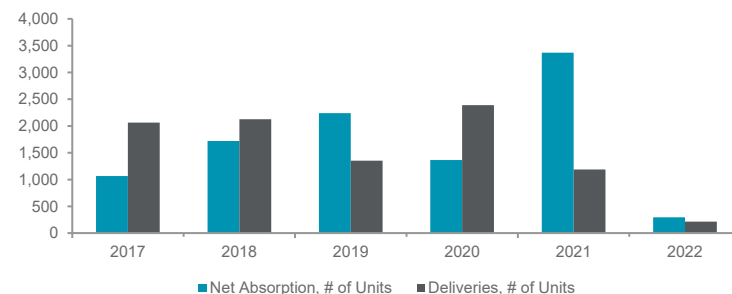
DEMAND: Vacancy Remains Low with Positive Net Absorption

Vacancy remained low in Q1 2022 at 7.0%, a 150 bps drop from Q1 2021. The St. Louis market recorded 294 units of positive net absorption for the quarter. The strong start to the year follows an extremely impressive 2021 for the multifamily sector which saw 3,300 units of net absorption. Lower vacancy coupled with positive net absorption further cements the strength of the multifamily sector in St. Louis. Of the St. Louis submarkets, St. Charles experienced the highest net absorption at positive 55 units. This is the fourth consecutive quarter that St. Charles has led the St. Louis market in net absorption. Additionally, there were four submarkets with vacancy rates of 3.0% or lower for Q1 2022: Richmond Heights, Metro East, Ballwin, and Kirkwood South.

DEVELOPMENT: Under-Construction Units Remains High as Big Year for Deliveries is Expected

There are currently over 4,700 units under-construction in the St. Louis market. Developments are concentrated within the St. Charles and South St. Louis City submarkets with over 3,000 units actively under construction. The sole building delivery in Q1 2022 was The Flats at Dorsett Ridge, a 214-unit apartment complex, in the Maryland Heights / Creve Coeur submarket. In 2022, a robust construction pipeline across the MSA is expected to result in 2,700 units delivered.

SPACE DEMAND / DELIVERIES



Source: CoStar

OVERALL VACANCY & EFFECTIVE RENT



Source: CoStar

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MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	2022 DELIVERIES (UNITS)	2022 % INVENTORY GROWTH	UNDER CONSTR (UNITS)	NET ABSORPTION (UNITS)	VACANCY RATE	YOY VACANCY RATE CHANGE (bps)	AVG EFFECTIVE RENT/UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Ballwin	5,988	0	0.0%	0	24	2.5%	-160	\$1,218	\$1.25	8.9%
Central West End	7,051	0	0.0%	492	47	8.0%	-480	\$1,465	\$1.80	10.1%
Chesterfield	3,575	0	0.0%	266	-7	3.5%	-420	\$1,468	\$1.50	17.6%
Downtown CBD	4,542	0	0.0%	224	17	18.4%	-320	\$1,345	\$1.47	5.6%
Downtown Clayton	1,062	0	0.0%	0	-1	6.7%	-670	\$2,299	\$2.46	18.9%
Jefferson County	10,339	0	0.0%	0	2	3.5%	-10	\$942	\$1.11	11.5%
Kirkwood South	5,307	0	0.0%	0	26	2.4%	-70	\$958	\$1.15	8.3%
Maryland Heights / Creve Coeur	9,824	214	2.2%	269	-20	6.0%	80	\$1,157	\$1.25	9.0%
Metro East	10,674	0	0.0%	0	23	2.8%	-220	\$993	\$1.03	5.3%
Mid-Town	2,884	0	0.0%	177	22	6.6%	-700	\$1,052	\$1.23	5.3%
North County	15,503	0	0.0%	0	43	13.0%	50	\$796	\$0.90	7.3%
North St. Louis City	4,177	0	0.0%	0	27	16.6%	520	\$762	\$0.86	2.4%
Olivette	2,217	0	0.0%	151	0	10.8%	-90	\$1,450	\$1.59	10.2%
Richmond Heights	1,849	0	0.0%	0	15	3.0%	-390	\$1,357	\$1.71	8.6%
South St. Louis City	5,045	0	0.0%	1,208	26	5.5%	-360	\$1,257	\$1.58	6.3%
St. Charles County	15,929	0	0.0%	1,985	55	3.8%	-270	\$1,262	\$1.34	14.2%
University City	5,644	0	0.0%	0	-4	7.4%	-150	\$772	\$0.97	5.7%
ST. LOUIS TOTALS	112,170	214	0.2%	4,772	294	7.0%	-150	\$1,111	\$1.25	9.6%

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	UNITS	PRICE \$ UNIT
Norwood Court Apartments	North County	360	Undisclosed
The Arlington Apartment Homes	Maryland Heights / CC	284	\$64M \$225,352
Millennium at Creve Coeur	Maryland Heights / CC	186	Undisclosed

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KEY CONSTRUCTION COMPLETIONS Q1 2022

PROPERTY	SUBMARKET	UNITS	OWNER DEVELOPER
The Flats at Dorsett Ridge	Maryland Heights / CC	214	Mill Creek Flats Holland Construction Services

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