

# MARKETBEAT ST. LOUIS

CUSHMAN &  
WAKEFIELD

## Multifamily Q3 2022

YoY Chg 12-Mo. Forecast

**8.9%**

Vacancy Rate



**7.2%**

Rent Growth, YOY



**\$1.30**

Effective Rent, PSF



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

### ECONOMIC INDICATORS Q3 2022

YoY Chg 12-Mo. Forecast

**1.4M**

St. Louis  
Employment



**2.9%**

St. Louis  
Unemployment Rate



**0.5%**

St. Louis Household  
Growth Rate



Sources: BLS, Moody's Analytics,  
St. Louis Business Journal  
2022Q3 statistics are based on  
latest available data

### ECONOMIC OVERVIEW

The unemployment rate in St. Louis ended Q3 2022 at 2.9%, a 160 basis-point (bps) reduction since Q3 2021. The U.S. unemployment rate ended Q3 2022 at 3.5%, 60-bps above the unemployment rate in St. Louis. Despite the solid labor market, growing recession concerns within the United States persist as the Federal Reserve continues to increase interest rates, attempting to corral inflation back towards a target goal of 2.0%. This contractionary monetary policy is also associated with a negative impact on GDP. Real GDP has already experienced two quarters of negative growth to start the year.

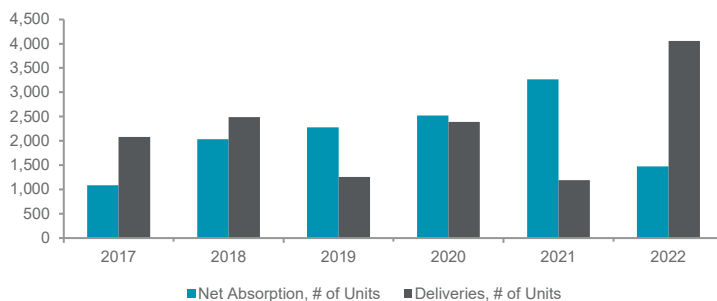
### DEMAND: Rent Growth shows Signs of Slowing, remains at Record Highs

Effective rent growth averaged 1.7% year-over-year (YOY) from 2010-2020 but experienced a significant increase at the start of 2021. The YOY effective rent growth jumped to 5.6% in Q2 2021 and peaked in Q2 2022 at 9.1%, a 350-bps increase. Average effective rent per square foot (psf) closed Q3 2022 at \$1.30 psf, up from \$1.21 psf in Q3 2021, a 7.2% increase YOY. The previous three quarters have each achieved YOY effective rent growth north of 8.0%, despite the slowdown in Q3, effective rents remain at historic highs. In Q3 2022, Kirkwood South experienced the highest level of rent growth at 11.0% YOY and the Downtown CBD experienced the lowest level of rent growth at 2.3%.

### DEVELOPMENT: Robust Construction Pipeline Fuels Growth

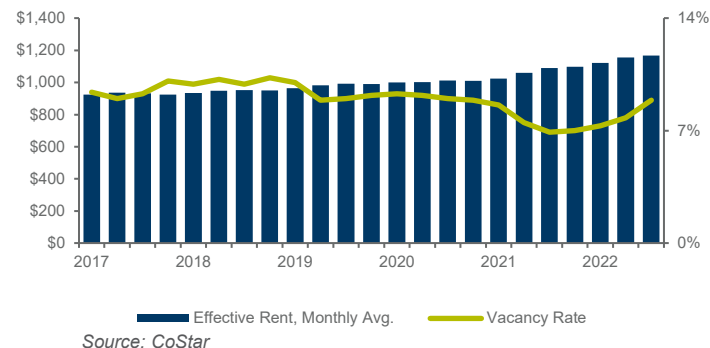
The St. Louis multifamily market continued with strong development in Q3 2022. Year-to-date (YTD) deliveries have reached 4,055 units, over 50.0% of which were delivered in Q3 2022, marking the highest number of delivered units in a single quarter on record. There remains over 4,000 units currently under construction across the MSA, with more than 1,200 units located in St. Charles County. Record-setting deliveries pushed vacancy rates up 110-bps quarter-over-quarter to 8.9%, though they remain below pre-pandemic peak levels.

### SPACE DEMAND / DELIVERIES



Source: CoStar

### OVERALL VACANCY & EFFECTIVE RENT



Source: CoStar

# MARKETBEAT ST. LOUIS

## Multifamily Q3 2022



### MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % 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	-15	2.4%	-20	\$1,295	\$1.34	9.0%
Central West End	7,697	492	6.5%	427	112	11.9%	270	\$1,508	\$1.74	6.9%
Chesterfield	3,573	0	0.0%	266	-6	3.5%	40	\$1,524	\$1.55	9.3%
Downtown CBD	4,533	78	1.7%	148	-63	24.6%	550	\$1,379	\$1.49	2.3%
Downtown Clayton	1,062	0	0.0%	507	9	6.2%	100	\$2,441	\$2.61	5.4%
Jefferson County	10,335	0	0.0%	294	12	3.6%	-70	\$971	\$1.14	8.8%
Kirkwood South	5,307	0	0.0%	0	-26	2.6%	-60	\$1,033	\$1.23	11.0%
Maryland Heights / Creve Coeur	9,878	214	2.2%	269	34	4.4%	110	\$1,236	\$1.34	7.2%
Metro East	11,162	246	2.2%	240	-24	5.4%	190	\$1,046	\$1.06	5.0%
Mid-Town	3,171	210	6.6%	0	56	10.3%	120	\$1,076	\$1.25	5.8%
North County	15,527	0	0.0%	0	15	14.3%	90	\$841	\$0.95	7.7%
North St. Louis City	4,213	0	0.0%	0	-3	16.9%	220	\$783	\$0.88	2.7%
Olivette	2,549	332	15.0%	432	137	5.4%	-460	\$1,537	\$1.68	9.4%
Richmond Heights	1,849	0	0.0%	0	7	2.4%	-140	\$1,416	\$1.77	3.0%
South St. Louis City	6,076	1,082	17.8%	223	198	18.1%	1270	\$1,370	\$1.72	7.6%
St. Charles County	17,358	1,401	8.8%	1,211	154	8.0%	530	\$1,317	\$1.39	8.5%
University City	5,733	0	0.0%	0	61	6.2%	-110	\$786	\$1.01	5.6%
<b>ST. LOUIS TOTALS</b>	<b>116,795</b>	<b>4,055</b>	<b>3.5%</b>	<b>4,017</b>	<b>658</b>	<b>8.9%</b>	<b>200</b>	<b>\$1,168</b>	<b>\$1.30</b>	<b>7.2%</b>

### KEY DELIVERIES Q3 2022

PROPERTY	SUBMARKET	UNITS	OWNER   DEVELOPER
SoHo Apartments	South St. Louis City	322	Lux Living
Expo at Forest Park	Central West End	287	Pearl Companies   Brinkmann Company
Citrine	St. Charles County	240	Mills Properties
Moda at the Hill	South St. Louis City	225	Draper and Kramer, Inc
Heartland View	St. Charles County	201	TriStar Properties
The Oliver	Olivette	151	Fortbridge Capital Partners   Ridgehouse Capital

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