

# MARKETBEAT ST. LOUIS

CUSHMAN &  
WAKEFIELD

## Multifamily Q4 2022

YoY  
Chg

12-Mo.  
Forecast

**9.0%**  
Vacancy Rate



**5.3%**  
Rent Growth, YOY



**\$1.29**  
Effective Rent, PSF



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

### ECONOMIC INDICATORS Q4 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  
2022Q4 statistics are based on  
latest available data

### ECONOMIC OVERVIEW

The St. Louis labor market remained stable in the second half of 2022, finishing the year with an unemployment rate of 2.9%. The U.S. unemployment rate experienced a slight increase to 3.7%, marking a 20-basis-point (bps) climb quarter-over-quarter (QOQ). As fears of an economic recession continue, the Federal Reserve increased interest rates by 425 bps in an effort to curb inflation. The rate increases began in March and have continued through the Federal Reserve's December meeting, marking seven consecutive rate hikes throughout 2022.

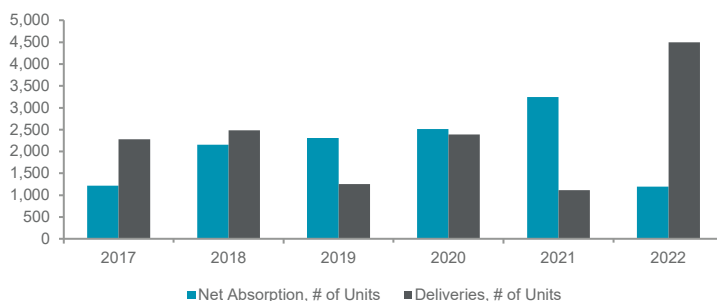
### DEMAND: Effective Rents Plateau in Q4 As New Units Deliver

Vacancy in the St. Louis MSA closed Q4 2022 at 9.0%, a 10-bps rise from Q3. Average effective rent fell to \$1.29 per square foot (psf) in the fourth quarter, falling just \$0.01 from the previous quarter. This slight decline in effective rent marks an end to the streak of seven consecutive quarters of rising effective rent in the St. Louis market. 2022 experienced completed construction deliveries of 4,500 new units, nearly surpassing the number of units delivered from 2019-2021 combined. Though increased inventory placed downward pressure on effective rents throughout the market, year-over-year (YOY) effective rent growth is still strong, closing Q4 at 5.3%. YOY effective rent growth for Q4 2022 was the highest in the Kirkwood South and the Ballwin submarkets, which recorded growth of 10.3% and 8.4%, respectively. Downtown CBD recorded the lowest YOY effective rent growth at -0.5%, the only submarket to see YOY effective rates decline in Q4.

### DEVELOPMENT: Construction Pipeline Continues to Fuel Rapid Growth

The increase in deliveries in 2022 is set to be followed by another strong year of multifamily construction in 2023. There is currently another 3,927 units under construction across the St. Louis market. Of the 17 multifamily submarkets, 10 are on pace to see new product delivered in the next year. In 2022, South St. Louis City experienced the largest inventory growth at nearly 17.8%, while St. Charles County saw an 11.4% inventory increase despite leading all submarkets with over 2,000 new units. Both of these submarkets are poised for more development in 2023 and will be joined by Mid-Town and Olivette as leaders in new deliveries over the next year.

### SPACE DEMAND / DELIVERIES



Source: CoStar

### OVERALL VACANCY & EFFECTIVE RENT



Source: CoStar

# MARKETBEAT ST. LOUIS

## Multifamily Q4 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	-26	3.0%	20	\$1,294	\$1.33	8.4%
Central West End	7,723	492	6.5%	0	66	9.5%	170	\$1,493	\$1.73	4.3%
Chesterfield	3,573	0	0.0%	266	-11	4.2%	90	\$1,434	\$1.46	1.6%
Downtown CBD	4,216	78	1.9%	148	-17	13.9%	420	\$1,388	\$1.48	-0.5%
Downtown Clayton	1,062	0	0.0%	237	1	3.6%	-210	\$2,337	\$2.50	2.3%
Jefferson County	10,439	84	0.8%	210	-16	4.7%	60	\$992	\$1.16	6.8%
Kirkwood South	5,357	0	0.0%	0	-19	3.3%	50	\$1,032	\$1.24	10.3%
Maryland Heights / Creve Coeur	9,878	214	2.2%	269	-7	4.6%	80	\$1,220	\$1.32	6.4%
Metro East	11,340	246	2.2%	240	68	4.4%	120	\$1,063	\$1.07	4.8%
Mid-Town	3,046	105	3.4%	636	1	9.2%	170	\$1,069	\$1.24	4.6%
North County	15,614	0	0.0%	0	-1	15.0%	120	\$847	\$0.96	6.8%
North St. Louis City	4,213	0	0.0%	0	-23	18.7%	160	\$781	\$0.88	1.8%
Olivette	2,368	151	6.4%	432	-12	7.0%	-120	\$1,429	\$1.57	0.6%
Richmond Heights	1,970	0	0.0%	0	-5	3.1%	-50	\$1,370	\$1.75	2.5%
South St. Louis City	6,078	1,083	17.8%	492	41	18.1%	1280	\$1,320	\$1.65	4.6%
St. Charles County	18,004	2,047	11.4%	725	203	10.1%	750	\$1,302	\$1.38	6.2%
University City	5,733	0	0.0%	0	-41	9.4%	160	\$823	\$1.05	7.1%
<b>ST. LOUIS TOTALS</b>	<b>117,205</b>	<b>4,500</b>	<b>3.8%</b>	<b>3,927</b>	<b>202</b>	<b>9.0%</b>	<b>260</b>	<b>\$1,160</b>	<b>\$1.29</b>	<b>5.3%</b>

### KEY SALES TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	UNITS	PRICE   \$ UNIT
Bold on the Boulevard	St. Charles County	272	\$70 M   \$257,353
Longacre Ponds	Metro East	249	\$19.5 M   \$78,313

### KEY DELIVERIES Q4 2022

PROPERTY	SUBMARKET	UNITS	OWNER   DEVELOPER
The Reserve at Mid Rivers	St. Charles County	462	Midwest Diversified Management
Woodstone Apartments	St. Charles County	184	ZM Management
Miller Crossing Apartments	Jefferson County	84	Debrecht Properties

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