

MARKETBEAT ST. LOUIS

CUSHMAN &
WAKEFIELD

Multifamily Q4 2023

YoY Chg 12-Mo. Forecast

10.6%
Vacancy Rate



1.7%
Rent Growth, YOY



\$1.34
Effective Rent, PSF



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

ECONOMIC INDICATORS Q4 2023

YoY Chg 12-Mo. Forecast

1.4M
St. Louis
Employment



3.4%
St. Louis
Unemployment Rate



3.7%
U.S. Unemployment
Rate



Sources: BLS, Moody's Analytics, St. Louis Business Journal
2023Q4 statistics are based on latest available data

ECONOMIC OVERVIEW

St. Louis's unemployment rate ended the fourth quarter of 2023 at 3.4%, a 50 basis-point (bps) increase year-over-year (YOY). St. Louis has outpaced the national unemployment rate in each quarter of 2023, despite a challenging economic environment. The Federal Reserve has held interest rates steady at a 5.2%-5.5% target rate since July 2023. This has led to optimism that 2024 may hold the first rate decrease since the Fed began rate hikes in March 2022.

DEMAND: Effective Rent Growth Slows Amid New Supply

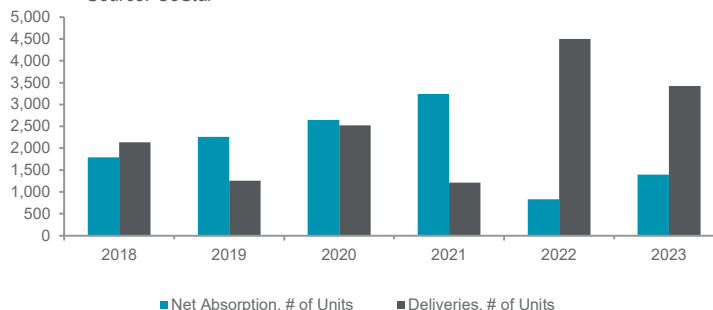
The St. Louis Multifamily sector continued to absorb an influx of new inventory in 2023, as the market recorded 1,398 units of positive absorption for the year. The market has experienced positive occupancy movement in seven of the last eight quarters, despite recording a 7.0% increase in new supply over that same time frame. Overall vacancy in St. Louis has risen to 10.6% at the close of Q4, a 130-bps increase year-over-year (YOY). Although demand remains strong throughout the market, the elevated delivery of new space has placed downward pressure on rent growth. Annual effective rent growth has decreased over seven straight quarters to 1.7% in Q4, marking the lowest YOY growth figure since Q2 2018. The effective rate per square foot (psf) remains historically elevated at \$1.34 psf, but the slowdown in YOY effective rent growth points toward stabilization in the St. Louis multifamily market.

DEVELOPMENT: Construction Pipeline Maintains Record-Setting Pace

The multifamily development pipeline in St. Louis remained at record levels with 3,423 new units delivered in 2023, and an additional 2,648 units under construction at the close of Q4. Since Q1 2022, the market has recorded nearly 8,000 new units, increasing market inventory by 7.0%. Out of the 17 multifamily submarkets, 11 currently have projects under construction. The submarkets with the most units under construction are St. Charles County (489 units), Central West End (270 units), Maryland Heights/Creve Coeur (269 units), and South St. Louis City (269 units).

SPACE DEMAND / DELIVERIES

Source: CoStar



OVERALL VACANCY & EFFECTIVE RENT

Source: CoStar



MARKETBEAT ST. LOUIS

Multifamily Q4 2023



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	6,193	204	3.4%	226	15	6.0%	270	\$1,331	\$1.38	1.9%
Central West End	7,999	179	2.3%	270	-27	10.6%	-20	\$1,533	\$1.75	1.2%
Chesterfield	4,179	266	6.7%	70	196	7.3%	320	\$1,507	\$1.55	1.4%
Downtown CBD	4,228	0	0.0%	148	-20	12.7%	-120	\$1,397	\$1.52	0.9%
Downtown Clayton	1,063	0	0.0%	237	4	4.5%	110	\$2,223	\$2.43	-2.5%
Jefferson County	11,132	210	1.9%	0	-36	7.0%	240	\$1,052	\$1.21	0.3%
Kirkwood South	5,307	0	0.0%	152	-19	6.3%	160	\$1,112	\$1.33	2.9%
Maryland Heights / Creve Coeur	9,984	106	1.1%	269	-44	6.6%	200	\$1,264	\$1.37	3.2%
Metro East	12,147	240	2.1%	0	34	6.6%	150	\$1,144	\$1.17	5.2%
Mid-Town	3,509	440	14.3%	196	40	29.1%	1,520	\$1,141	\$1.30	-0.8%
North County	15,106	0	0.0%	0	-178	17.5%	220	\$878	\$0.99	2.9%
North St. Louis City	4,131	0	0.0%	0	-21	14.8%	40	\$812	\$0.91	-0.1%
Olivette	2,800	432	18.2%	262	101	17.7%	1020	\$1,499	\$1.68	-2.2%
Richmond Heights	1,864	0	0.0%	0	-7	3.9%	70	\$1,405	\$1.78	2.5%
South St. Louis City	6,632	206	3.2%	269	70	13.4%	-630	\$1,299	\$1.63	0.4%
St. Charles County	19,281	1,140	6.3%	489	193	9.1%	-130	\$1,339	\$1.41	0.9%
University City	5,541	0	0.0%	0	-38	12.0%	220	\$887	\$1.14	5.6%
ST. LOUIS TOTALS	121,096	3,423	2.9%	2,648	263	10.6%	130	\$1,209	\$1.34	1.7%

KEY SALES TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	UNITS	PRICE \$ UNIT
Arrive Brentwood	Richmond Heights	281	\$62.5 M \$222,330
Enclave at WingHaven	St. Charles	400	\$41.2 M \$102,989

KEY DELIVERIES Q4 2023

PROPERTY	SUBMARKET	UNITS	OWNER DEVELOPER
McKenzie	University City	251	Lux Living
The Flats at Wildhorse Village	Chesterfield	266	Pier Property Group

Source: CoStar, Real Capital Analytics

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