

MARKETBEAT ST. LOUIS

CUSHMAN &
WAKEFIELD

Multifamily Q2 2024

YoY Chg 12-Mo. Forecast

9.6%

Vacancy Rate



2.3%

Rent Growth, YOY



\$1.40

Effective Rent, PSF



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

ECONOMIC OVERVIEW

The unemployment rate in St. Louis rose 10 basis-points (bps) to 3.6% in Q2 2024 but remains well below the national average of 4.1%, a 30-bps increase from last quarter. The St. Louis labor market has steadily improved with non-farm employment recording a 180-bps increase year-over-year (YOY). As inflation and the labor market ease, the year is set to hold the first interest rate decrease by the Federal Reserve after it opted to hold rates in a range of 5.25% to 5.5% since July 2023.

DEMAND: Vacancy Declines Amid Slowdown in Development

The St. Louis multifamily sector recorded an overall vacancy rate of 9.6% at the close of Q2, marking an 80-bps decrease quarter-over-quarter (QOQ). The market experienced 1,050 units of positive absorption in Q2, which marks the highest quarter of positive absorption since Q2 2021. Through two quarters of 2024, the market has already surpassed the annual absorption total in 2023 of positive 1,484 units. St. Louis multifamily recorded no new unit deliveries in Q2, however over 2,200 units are currently under construction throughout the region. Effective rents remain at record-highs in St. Louis at \$1.40 per square foot (psf), but the rate of annual rent growth has steadied with the market closing Q2 at 2.3% in effective rent growth YOY.

ECONOMIC INDICATORS Q2 2024

YoY Chg 12-Mo. Forecast

1.4M

St. Louis Employment



3.6%

St. Louis Unemployment Rate



4.1%

U.S. Unemployment Rate



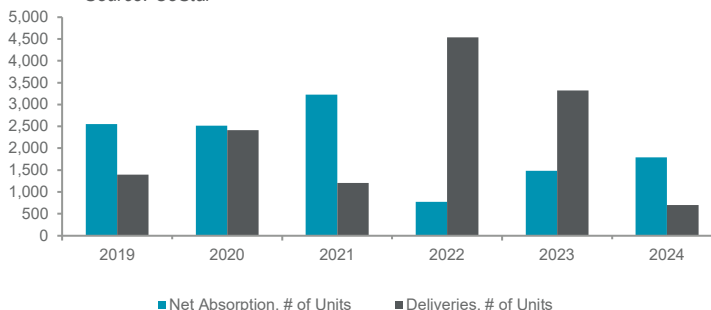
Sources: BLS, Moody's Analytics, St. Louis Business Journal
2024 Q2 statistics are based on latest available data

DEVELOPMENT: Pipeline Steadies After Record-Setting Years

St. Louis saw record-setting years of deliveries in 2022 and 2023, which resulted in over 8,000 new units and a 7.0% increase in inventory from Q1 2022-YTD. The market's development pipeline has begun to slow with 702 units delivered year-to-date (YTD), and an additional 2,252 units currently under construction. At the close of Q2, 9 of the 17 multifamily submarkets are slated to record development activity in 2024. The submarkets with the most units under construction are Maryland Heights/Creve Coeur (524 units), St. Charles County (370 units), South St. Louis City (363 units), Central West End (270 units), and Olivette (262 units). The submarkets that have already recorded deliveries in 2024 include Mid-Town (199 units), Kirkwood South (152 units), and Central West End (143 units).

SPACE DEMAND / DELIVERIES

Source: CoStar



OVERALL VACANCY & EFFECTIVE RENT

Source: CoStar



MARKETBEAT ST. LOUIS

Multifamily Q2 2024



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 | 6,134 | 0 | 0.0% | 226 | 26 | 5.8% | 240 | \$1,378 | \$1.43 | 4.2% |
| Central West End | 7,873 | 143 | 0.0% | 270 | -15 | 11.5% | 230 | \$1,550 | \$1.78 | 0.5% |
| Chesterfield | 4,249 | 0 | 0.0% | 0 | 126 | 9.4% | 430 | \$1,596 | \$1.61 | -1.0% |
| Downtown CBD | 4,394 | 0 | 0.0% | 0 | 13 | 18.0% | 630 | \$1,399 | \$1.53 | -1.1% |
| Downtown Clayton | 1,063 | 0 | 0.0% | 237 | -5 | 9.7% | 350 | \$2,582 | \$2.83 | 2.9% |
| Jefferson County | 10,974 | 0 | 0.0% | 0 | 81 | 5.9% | 120 | \$1,113 | \$1.28 | 3.8% |
| Kirkwood South | 5,458 | 152 | 2.8% | 0 | 41 | 7.0% | 170 | \$1,154 | \$1.38 | 3.6% |
| Maryland Heights / Creve Coeur | 9,984 | 0 | 0.0% | 524 | 20 | 5.7% | -10 | \$1,369 | \$1.49 | 4.2% |
| Metro East | 12,305 | 0 | 0.0% | 0 | 66 | 5.2% | 0 | \$1,189 | \$1.21 | 2.7% |
| Mid-Town | 3,715 | 199 | 5.4% | 0 | 171 | 28.3% | -60 | \$1,222 | \$1.40 | 0.4% |
| North County | 14,907 | 0 | 0.0% | 0 | 40 | 14.6% | -140 | \$902 | \$1.02 | 2.8% |
| North St. Louis City | 4,284 | 0 | 0.0% | 0 | 9 | 14.1% | 40 | \$827 | \$0.88 | 0.7% |
| Olivette | 2,872 | 0 | 0.0% | 262 | 88 | 13.4% | 610 | \$1,575 | \$1.77 | -2.2% |
| Richmond Heights | 1,864 | 0 | 0.0% | 0 | -2 | 4.2% | 50 | \$1,581 | \$1.89 | 5.8% |
| South St. Louis City | 6,585 | 0 | 0.0% | 363 | 61 | 11.7% | -510 | \$1,357 | \$1.70 | -0.3% |
| St. Charles County | 19,431 | 0 | 0.0% | 370 | 271 | 6.3% | -310 | \$1,404 | \$1.47 | 3.8% |
| University City | 5,541 | 0 | 0.0% | 0 | 61 | 9.7% | -60 | \$879 | \$1.11 | 2.5% |
| ST. LOUIS TOTALS | 121,693 | 702 | 0.6% | 2,252 | 1,050 | 9.6% | -80 | \$1,268 | \$1.40 | 2.3% |

KEY SALES TRANSACTIONS Q2 2024

| PROPERTY | SUBMARKET | UNITS | PRICE \$ UNIT |
|----------------------------|--------------------------------|-------|----------------------|
| The Flats at Dorsett Ridge | Maryland Heights / Creve Coeur | 214 | \$54.1 M \$252,804 |
| Woodland Trails Homes | Metro East | 287 | \$26.9 M \$93,573 |
| Storyboard on Lancashire | Metro East | 96 | \$9.35 M \$97,396 |
| Alamo Apartments | Clayton | 15 | \$2.53 M \$168,467 |

KEY DELIVERIES YTD

| PROPERTY | SUBMARKET | UNITS | OWNER DEVELOPER |
|--------------------|----------------|-------|-------------------------|
| The Edwin on Grand | Mid-Town | 199 | Pier Property Group |
| The James | Kirkwood South | 152 | High Street Residential |

Source: CoStar, Real Capital Analytics

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