

MARKET FUNDAMENTALS

| | YOY Chg | 12-Month Forecast |
|--|---------|-------------------|
| 9.7% Vacancy Rate | ▼ | ▼ |
| 2.5K YTD Net Absorption Units | ▲ | ▲ |
| \$1.42 Effective Rent, PSF <small>(50+ unit developments, excluding student housing, senior housing, and military)</small> <small>Source: CoStar</small> | ▲ | ▬ |

ECONOMIC INDICATORS

| | YOY Chg | 12-Month Forecast |
|---|---------|-------------------|
| 1.5M St. Louis Employment | ▲ | ▲ |
| 3.9% St. Louis Unemployment Rate | ▲ | ▲ |
| 4.1% U.S. Unemployment Rate <small>Source: BLS</small> | ▲ | ▼ |

ECONOMY

Though the St. Louis unemployment rate remained below the national average of 4.1%, it rose 30 basis-points (bps) from last quarter to 3.9% in Q3 2024. Despite this, the St. Louis labor market continued to improve overall, with non-farm employment recording a 210-bps increase year-over-year (YOY). The Federal Reserve recently brought down benchmark interest rates to a range of 4.75% to 5.0%, marking the first cut in over four years with more expected over the next two years.

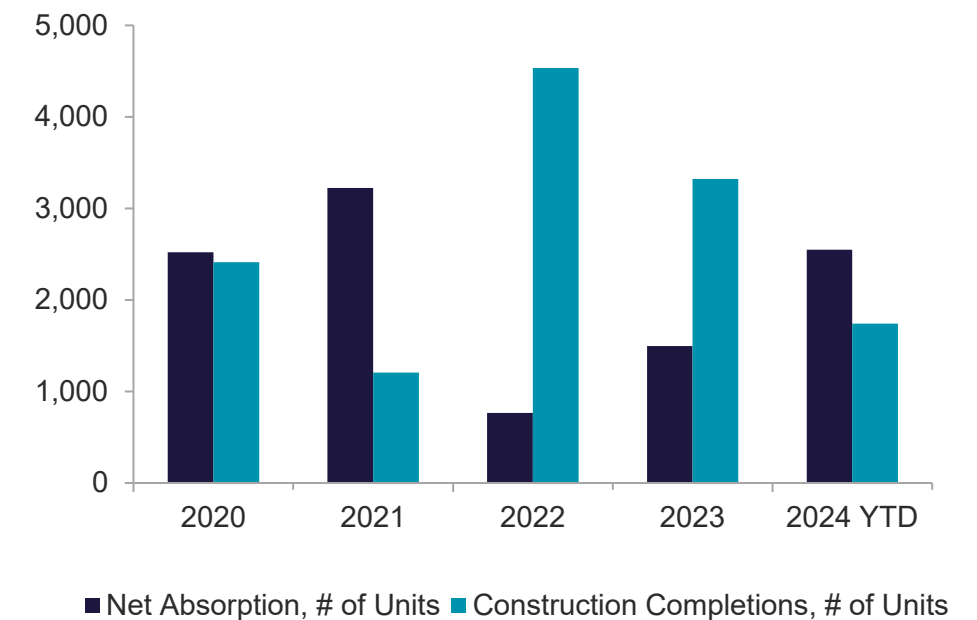
SUPPLY: QUARTERLY DELIVERIES INCREASE VACANCY

Vacancy in the St. Louis multifamily sector rose 20-bps quarter-over-quarter (QOQ), ending Q3 at 9.7%. This rise in vacancy was primarily driven by the delivery of 1,038 new units in Q3 with no deliveries in Q2, in addition to just 689 units of absorption recorded this quarter. Despite this slowdown in Q3, St. Louis has experienced over 2,500 units of positive absorption year-to-date (YTD), bringing overall vacancy down 70-bps from Q1 2024. Effective rents have remained above \$1.40 per square foot (psf) throughout 2024, ending Q3 at \$1.42 psf; however, the rate of annual rent growth has stabilized, closing the quarter at a growth rate of just 1.6%.

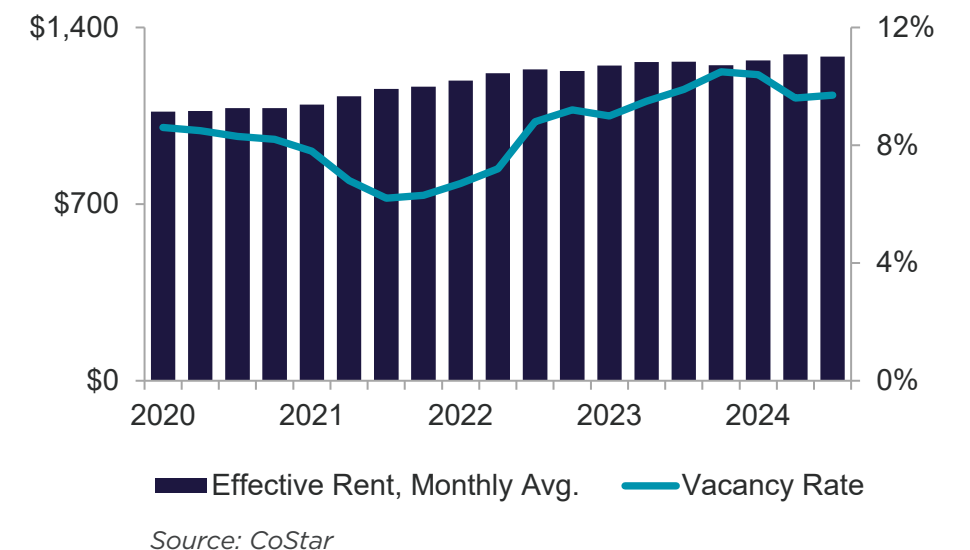
DEVELOPMENT: DELIVERIES UP QOQ, PIPELINE STEADY

St. Louis' multifamily development pipeline has continued to stabilize after the record-setting delivery of over 8,000 units throughout 2022 and 2023. The market has recorded 1,740 new unit deliveries in 2024, resulting in a 1.4% increase in inventory YTD. At the close of Q3, just five of St. Louis' 17 multifamily submarkets were tracking development activity, with 1,696 units under construction. The largest amount of development is concentrated in the St. Charles County submarket (708 units), with the remaining units under construction located in South St. Louis City (363 units), Maryland Heights/Creve Coeur (255 units), Ballwin (226 units) and the Metro East (144 units).

DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



MARKET STATISTICS

| SUBMARKET | INVENTORY (UNITS) | YTD DELIVERIES (UNITS) | YTD % INVENTORY GROWTH | UNDER CONSTRUCTION (UNITS) | YTD 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 | 79 | 5.1% | -120 | \$1,393 | \$1.44 | 1.1% |
| Central West End | 8,203 | 413 | 5.1% | 0 | 32 | 13.2% | 500 | \$1,533 | 1.76 | -2.2% |
| Chesterfield | 4,249 | 0 | 0.0% | 0 | 180 | 8.9% | 280 | \$1,628 | \$1.64 | 0.2% |
| Downtown CBD | 4,393 | 148 | 3.4% | 0 | 56 | 18.2% | 370 | \$1,421 | \$1.55 | -1.4% |
| Downtown Clayton | 1,300 | 237 | 18.2% | 0 | 27 | 21.4% | 1,610 | \$2,381 | \$2.62 | -6.1% |
| Jefferson County | 11,034 | 0 | 0.0% | 0 | 72 | 6.2% | -40 | \$1,112 | \$1.28 | 3.1% |
| Kirkwood South | 5,458 | 152 | 2.8% | 0 | 144 | 5.7% | 10 | \$1,184 | \$1.41 | 1.7% |
| Maryland Heights / Creve Coeur | 10,380 | 269 | 2.6% | 255 | 44 | 8.2% | 200 | \$1,375 | \$1.50 | -0.9% |
| Metro East | 12,309 | 0 | 0.0% | 144 | 137 | 4.9% | -170 | \$1,200 | \$1.23 | 2.7% |
| Mid-Town | 3,926 | 199 | 5.1% | 0 | 247 | 25.8% | -320 | \$1,190 | \$1.35 | 1.0% |
| North County | 14,912 | 0 | 0.0% | 0 | 142 | 14.4% | -50 | \$939 | \$1.07 | 5.6% |
| North St. Louis City | 4,129 | 60 | 1.5% | 0 | 63 | 14.2 | -40 | \$880 | \$0.95 | 4.0% |
| Olivette | 3,133 | 262 | 8.4% | 0 | 195 | 18.4% | 500 | \$1,647 | \$1.86 | 1.8% |
| Richmond Heights | 1,864 | 0 | 0.0% | 0 | 13 | 2.8% | -90 | \$1,434 | \$1.81 | -0.6% |
| South St. Louis City | 6,587 | 0 | 0.0% | 363 | 184 | 10.5% | -440 | \$1,364 | \$1.71 | -0.5% |
| St. Charles County | 19,429 | 0 | 0.0% | 708 | 805 | 5.4% | -280 | \$1,446 | \$1.51 | 4.1% |
| University City | 5,550 | 0 | 0.0% | 0 | 127 | 8.9% | -210 | \$905 | \$1.15 | 4.2% |
| ST. LOUIS TOTALS | 123,015 | 1,740 | 1.4% | 1,696 | 2,547 | 9.7% | -20 | \$1,285 | \$1.42 | 1.6% |

KEY SALES TRANSACTIONS Q3 2024

| PROPERTY | SUBMARKET | UNITS | PRICE \$ UNIT |
|-----------------------------------|------------------------------|-------|----------------------|
| The District | University City | 428 | \$54.8 M / \$127,921 |
| Vicino on the Lake | Maryland Heights/Creve Coeur | 359 | \$58.8 M / \$163,926 |
| Avenue64 | St. Charles County | 316 | \$75.5 M / \$238,924 |
| Westpark Apartments and Townhomes | Maryland Heights/Creve Coeur | 212 | \$32.0 M / \$150,943 |
| The Knolls Townhomes | North County | 112 | \$12.6 M / \$112,500 |

KEY DELIVERIES Q3 2024

| PROPERTY | SUBMARKET | UNITS | OWNER DEVELOPER |
|--------------------|------------------------------|-------|----------------------------|
| One Foundry Way | Mid-Town | 270 | Vande East Partners LLC |
| NEO Vantage Pointe | Maryland Heights/Creve Coeur | 269 | Mills Properties |
| Avenir Apartments | University City | 262 | Delmar View Properties LLC |
| Bemiston Place | Downtown Clayton | 237 | Balke Brown Transwestern |

Source: CoStar

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