



**ST. LOUIS** MO  
Multifamily Report

**BERKADIA**<sup>®</sup>

a Berkshire Hathaway and Jefferies Financial Group company

2021 MID-YEAR



# ST. LOUIS, MO EMPLOYMENT

## Jobs Added / Lost

### LAST 12 MONTHS

109,000

↑ 8.8%

### NEXT 12 MONTHS\*

45,100

↑ 3.3%

## Unemployment

### MID-YEAR 2021

4.3%

↓ 760 BPS YOY

### MID-YEAR 2022\*

3.9%

↓ 40 BPS YOY

\*Projected

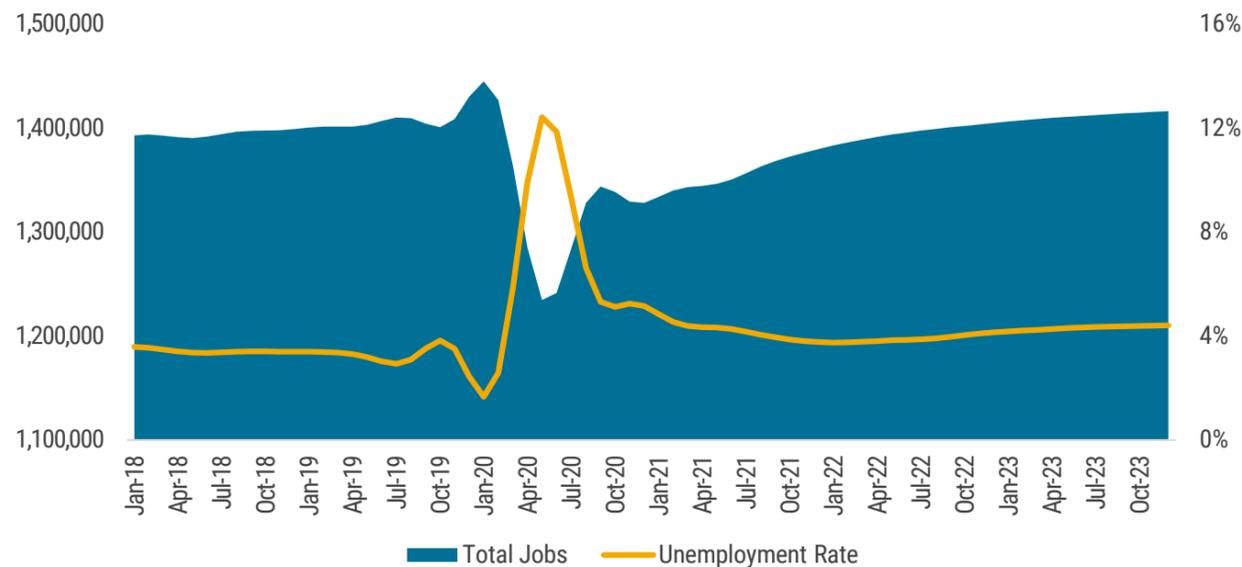
Job recovery from the 2020 pandemic proceeds to take shape in the St. Louis metropolitan area. As of June 2021, metro area employers recovered 76.8% of jobs lost during the nation's first wave of cases. Job expansions and retentions led to 109,000 net positions filled over the past year, equating to an 8.8% annual increase in local payrolls.

Firms in the education and health services sector recorded one of the most prominent turnarounds as 18,600 net jobs were created. This was largely due to Saint Louis University students and faculty returning to campus in addition to the in-progress BJC HealthCare campus renewal project, which will deliver over 1.5 million square feet of new construction.

Employment growth is projected to persist through mid-year 2022, though at a more gradual pace. Metro residents can look forward to a 2.9% uptick in logistics and manufacturing jobs at Fenton Logistics Park upon the arrival of e-commerce companies Amazon.com Inc. and Grey Eagle Distributors.

For the next 12 months in the St. Louis metropolitan area, employers are projected to create or reinstate an additional 45,100 positions, expanding payrolls by 3.3%. The leisure and hospitality sector, which accounts for 10% of the area's workforce, will have the largest jump in growth during this time with an annual increase of 8.9%.

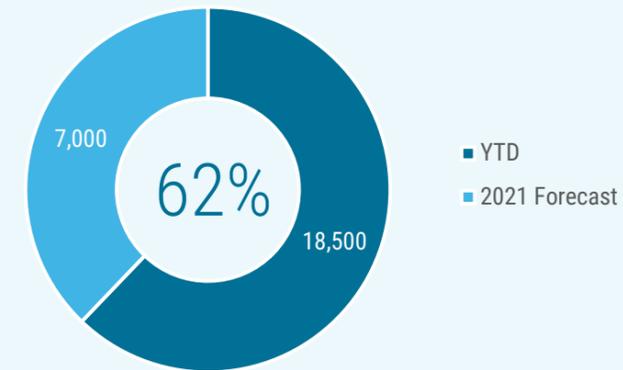
## Employment Trends



SOURCE: MOODY'S ANALYTICS

## Who's Hiring?

### LEISURE & HOSPITALITY INDUSTRY



10%  
OF ALL JOBS IN THE METRO

\$24,600  
AVERAGE ANNUAL SALARY

## Top Leisure & Hospitality Employers

AMERISTAR  
CASINO ★ HOTEL

2,500 JOBS

HOLLYWOOD  
Casino  
ST. LOUIS

2,000 JOBS

LUMIÈRE  
PLACE  
CASINO & HOTELS · ST. LOUIS

1,600 JOBS

## In The News

St. Louis to create over 1,000 jobs by 2030 through Jobs Plan

Clean Eatz Kitchen brings 50 jobs to St. Louis area

Amazon to fill more than 500 jobs in Berkeley

Boeing expansion will create 30 positions

More than 100 to be hired in St. Louis at Advocado



## ST. LOUIS, MO

# DELIVERIES & ABSORPTION

### 2021 Units\*

DELIVERED

1,235

ABSORBED

1,836

### 2022 Units\*

DELIVERED

2,772

ABSORBED

1,601

\*Projected

With only a 500-unit disparity between new deliveries and net absorption in the second quarter of 2021, supply and demand in metro St. Louis are showing signs of a balanced recovery. Annual leasing activity led the metro with 2,600 net units absorbed, more than double the total from one year prior. Demand was most robust during the three months leading to June 2021 and was evenly distributed among all 10 St. Louis apartment submarkets.

St. Charles County led the metro in leasing activity as renters absorbed approximately 640 net units over the last four quarters. By mid-2022, demand in this submarket is projected to taper though remain positive amid an influx of new multifamily supply.

On the supply side, St. Louis multifamily developers are still heavily motivated by the metro's urban core. More than 500 units were brought to St. Louis City's inventory over the last year, contributing to the metrowide total of 2,100 units added in that time. By mid-2021, more than 3,600 units were under construction across Greater St. Louis.

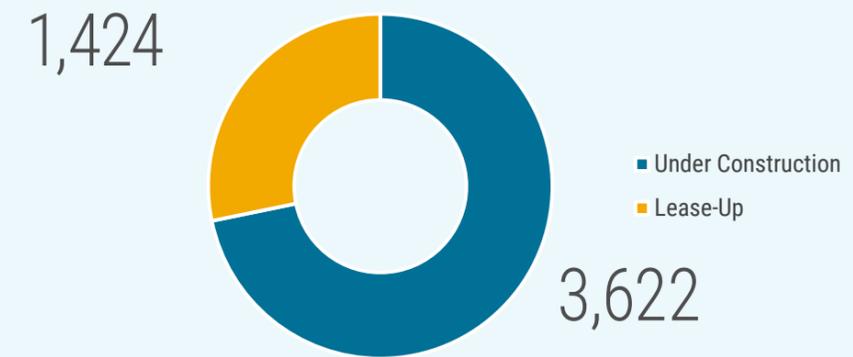
As employers continue to restore and to create jobs within the city, new apartment supply in St. Louis City is projected to expand the submarket's inventory by an additional 1.4% by mid-year 2022. During this time, leasing activity is expected to outpace the influx of new units and heighten metrowide occupancy rates.

### Deliveries, Absorption, & Effective Rent Change



SOURCE: REALPAGE

### Market Pipeline



### Top 10 Submarket Pipelines



For a complete list of properties in the pipeline, [CLICK HERE](#)



## ST. LOUIS, MO

# RENT & OCCUPANCY

### Effective Rent

2Q 2021

\$1,054

↑ 3.8% YOY

### Occupancy

2Q 2021

95.3%

↑ 40 BPS YOY

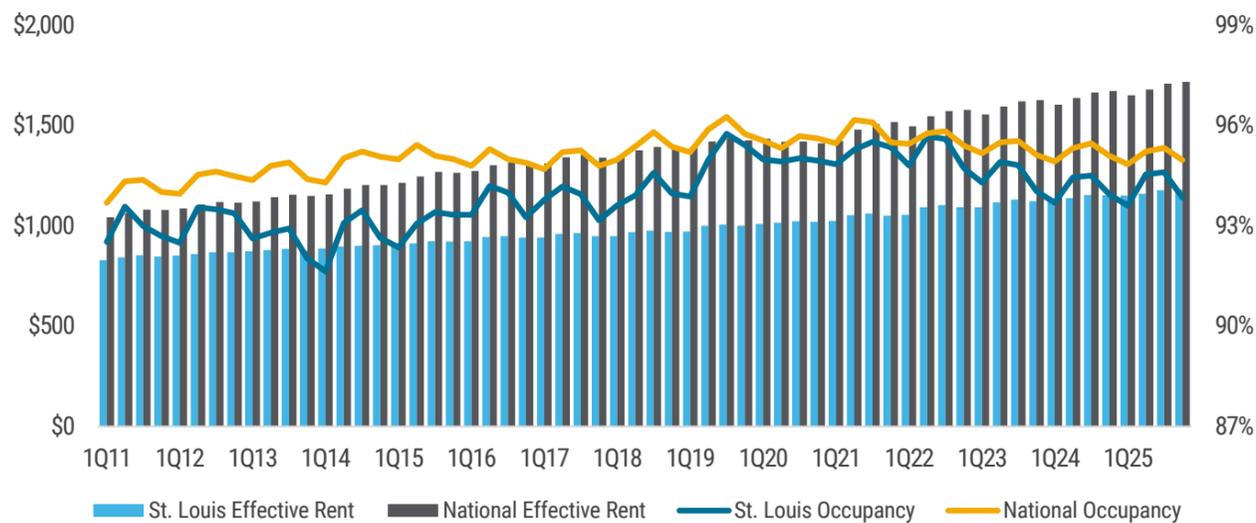
While leasing activity outperformed new supply through the second quarter of 2021, the St. Louis metro's average occupancy rate increased 40 basis points year over year to 95.3%. Occupancies among the metro's 10 submarkets ranged from 92.9% in Central West End/Forest Park to 97.8% in South St. Louis County/Jefferson County, where Fenton Logistics Park continues to build out and bring in new jobs.

With multifamily demand sprouting from every submarket, apartment operators used the opportunity to increase Greater St. Louis rent on average 3.8% annually to \$1,054 per month in the second quarter of 2021. Class A and B properties performed comparatively well with rents appreciating 3.2% and 3.7%, respectively.

In the near-term, apartment fundamentals are projected to benefit greatly from the steady rate of in-migration alongside job creation in all major employment sectors. Apartment operators can expect both occupancy and effective rent growth to surpass their five-year average by June 2022.

Average effective rent is projected to increase an additional 3.7% over the next four quarters to \$1,093 per month. Meanwhile, the metro's average occupancy rate will jump 40 basis points to 95.7%, outpacing the national average growth rate. The local rate would be 130 basis points higher than the preceding five-year average.

### St. Louis vs. National Effective Rent & Occupancy



SOURCE: REALPAGE

### Submarket Performance

SUBMARKET NAME	2Q21 OCCUPANCY	YOY (BPS)	2Q21 EFFECTIVE RENT	YOY
Central West End/Forest Park	92.9%	-20	\$1,418	-0.4%
Chesterfield/Ballwin/Wildwood	96.8%	70	\$1,154	6.9%
Florissant/Hazelwood	95.6%	10	\$850	4.1%
Maryland Heights/Creve Coeur	96.1%	10	\$1,069	4.3%
Mid St. Louis County	93.4%	80	\$1,365	0.9%
Northeast St. Louis County	94.1%	50	\$678	2.7%
South St. Louis County/Jefferson County	97.8%	120	\$869	4.9%
St. Charles County	97.5%	140	\$1,088	8.1%
St. Clair/Madison Counties	96.7%	-10	\$1,028	9.3%
St. Louis City	93.1%	-30	\$1,059	-0.9%



## ST. LOUIS, MO

# POPULATION & MIGRATION

### 2021 Residents\*

2,809,200

↑ 0.1% YOY

### 2022 Residents\*

2,810,300

0.0% YOY

\*Projected

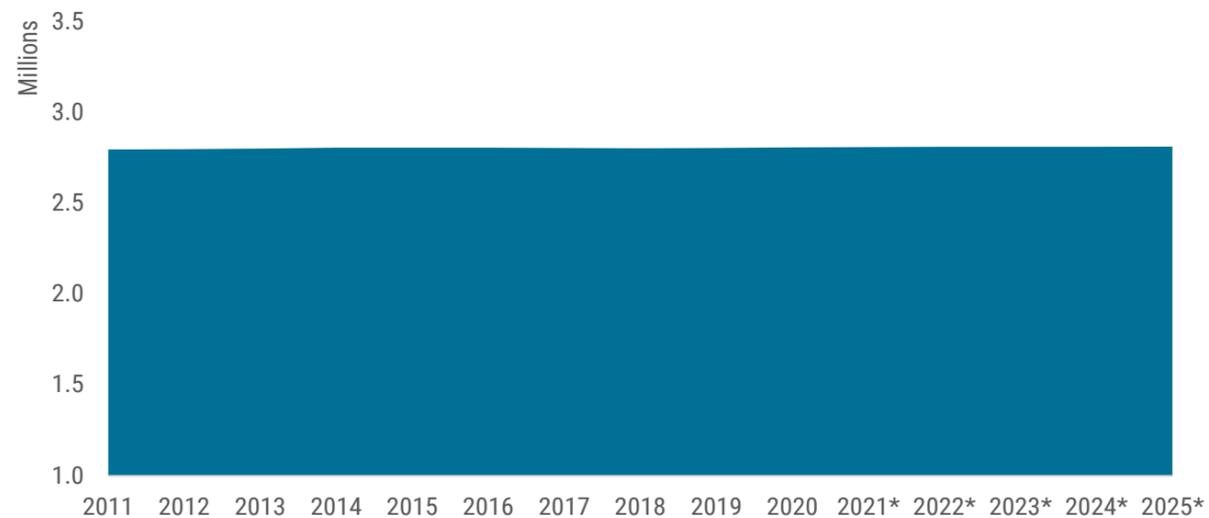
At mid-year 2021, the St. Louis metropolitan area was home to 2.8 million residents, a net population gain of nearly 3,000 people from one year prior. Foot traffic in the metro's urban city center increased unwaveringly over the past decade as developers completed work on entertainment districts like Ballpark Village and Union Station. Meanwhile, local employers expanded their operations near Busch Stadium and the Enterprise Center.

The metro is primed for future in-migration as plans move forward on commercial attractions like America's Center Convention Complex as well as the highly anticipated Major League Soccer stadium and expansion franchise, the St. Louis City Soccer Club. Although the metro

did experience a setback in worker traffic amid pandemic-related office and store closures, robust job recovery is putting St. Louis back on track. Based on a study by Unacast, a New York research firm, the St. Louis metropolitan area gained 8,400 residents since the onset of the COVID-19 pandemic. Net population growth is set to continue over the next five years at a gradual pace and increase the population density by 0.1%.

By June 2022, an additional 1,600 net residents are expected to move into the metro and further contribute to economic growth and development. Attracting new residents are the 45,100 net positions projected to be added to Greater St. Louis payrolls in the next year.

### St. Louis Population



\*Projected

SOURCE: MOODY'S ANALYTICS

### Urban Migration During the Pandemic

2Q 2020 - 1Q 2021



SOURCE: FEDERAL RESERVE BANK OF CLEVELAND



# ST. LOUIS, MO SALES

## 2021 Year to Date\*



**VOLUME**  
\$372.2M



**PRICE PER UNIT (AVG)**  
\$185,501



**TRANSACTIONS**  
12

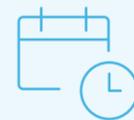


**CAP RATE (AVG)**  
5.5%

## What's Trading?\*



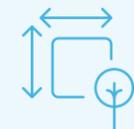
**UNITS (AVG)**  
296



**YEAR BUILT (AVG)**  
1990's



**BUILDINGS (AVG)**  
11



**ACRES (AVG)**  
14.01

\*\$10M+  
SOURCE: REAL CAPITAL ANALYTICS

## Top Buyers\*\*

BUYER	LOCATION
Invesco Real Estate	Atlanta, GA
Passco Companies	Irvine, CA
Hamilton Zanze & Co	San Francisco, CA
Timberland Partners	Bloomington, MN
Carter Haston	Nashville, TN

## Top Sellers\*\*

SELLER	LOCATION
Balke Brown Associates	St. Louis, MO
Watermark Residential	Indianapolis, IN
Covington Realty Partners	Chicago, IL
B&M Management	Montgomery, AL
Pearl Companies	Indianapolis, IN

\*\*Past 24 Months



## ST. LOUIS, MO

# SALES

\$10+ Million Transactions



### THE PARQ AT CHESTERFIELD\*

Chesterfield, MO

UNITS	YEAR BUILT
345	2019
PRICE / UNIT	SALES PRICE
\$284,058	\$98,000,000



### ENCORE AT FOREST PARK

St. Louis, MO

UNITS	YEAR BUILT
246	2017
PRICE / UNIT	SALES PRICE
\$305,793	\$75,225,000



### CORTONA AT FOREST PARK

St. Louis, MO

UNITS	YEAR BUILT
278	2013
PRICE / UNIT	SALES PRICE
\$255,126	\$70,925,000



### FIELDPOINTE OF ST. LOUIS

Maryland Heights, MO

UNITS	YEAR BUILT
318	1969
PRICE / UNIT	SALES PRICE
\$144,733	\$46,025,000



### TRILOGY APARTMENTS\*

University City, MO

UNITS	YEAR BUILT
412	1952
PRICE / UNIT	SALES PRICE
\$88,592	\$36,500,000



### BRAMBLETT HILLS

O'Fallon, MO

UNITS	YEAR BUILT
204	2015
PRICE / UNIT	SALES PRICE
\$150,490	\$30,700,000



### TIMBER'S EDGE APARTMENTS

Edwardsville, IL

UNITS	YEAR BUILT
213	1960
PRICE / UNIT	SALES PRICE
\$69,718	\$14,850,000



### SUN VALLEY LAKE\*

St. Charles, MO

UNITS	YEAR BUILT
680	1984
PRICE / UNIT	SALES PRICE
Nondisclosure	Nondisclosure



### LE COEUR DU MONDE\*

Maryland Heights, MO

UNITS	YEAR BUILT
192	1988
PRICE / UNIT	SALES PRICE
Nondisclosure	Nondisclosure



### GRAND CENTRAL

Wentzville, MO

UNITS	YEAR BUILT
180	2020
PRICE / UNIT	SALES PRICE
Nondisclosure	Nondisclosure

\*BERKADIA TRANSACTION

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Sources: RealPage; Moody's Analytics; Real Capital Analytics; Federal Reserve Bank of Cleveland

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