ST. LOUIS, MO
MULTIFAMILY REPORT
2024 | MID-YEAR

BERKADIA®

Jobs Added / Lost*

LAST 12 MONTHS

28,300

2.0%

Unemployment*

JUNE 2024

3.7%

40 BPS YOY

*Seasonally Adjusted

ST. LOUIS, MO

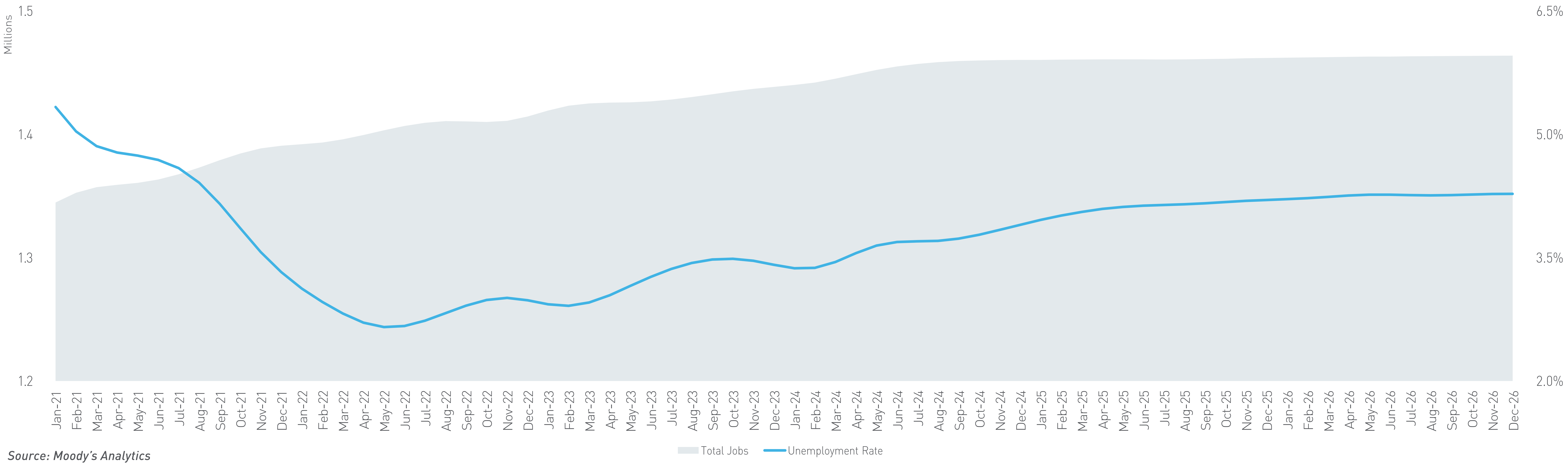
EMPLOYMENT

With the addition of 28,300 new jobs in the last year, the 2.0% St. Louis expansion ranked among the top 10 in the U.S. for job growth for the first time since the 1990s. The leisure and hospitality and the private education and healthcare sectors both added over 10,000 jobs to local payrolls. Nearly 12,000 new positions were added to the leisure and hospitality sector, making it the sector to expand the most. Growth in the sector was underpinned partially by CITYPARK's positive performance. Home to a Major League Soccer team, the St. Louis City SC, CITYPARK hosted 20 St. Louis City SC matches, four international matches, and 15 CITY2 professional soccer matches, as well as over 200 private events in 2023. Nearly 1 million people attended these events, 18% coming from outside the St. Louis metro area. CITYPARK visitors spent $14 million on hotels, food, and other retail expenditures, boosting the regional economy. Meanwhile, new jobs in the private education and healthcare sector were supported by BJC Healthcare. In the beginning of 2024, BJC Healthcare and Saint Luke's System of Kansas City successfully cross-market merged and foresee over 24 hospitals and 44,000 employees together. Under the new banner, BJC Healthcare now has $10 million in revenue and anticipates an annual community impact of $1 billion. Additionally, BSJ Healthcare opened the first adult sickle cell treatment center, Center for Advanced Medicine, in the heart of St. Louis.

In the News

- Anthem hiring for 250 new postions in downtown St. Louis
- Healthcare company expands to St. Louis, plans to hire 120
- UKRAFT to expand in dowtown St. Louis

Employment Trends



Source: Moody's Analytics

2024 YEAR TO DATE

DELIVERIES
1,009 UNITS

ABSORPTION
651 UNITS

2024 TOTAL*

DELIVERIES
2,075 UNITS

ABSORPTION
1,773 UNITS

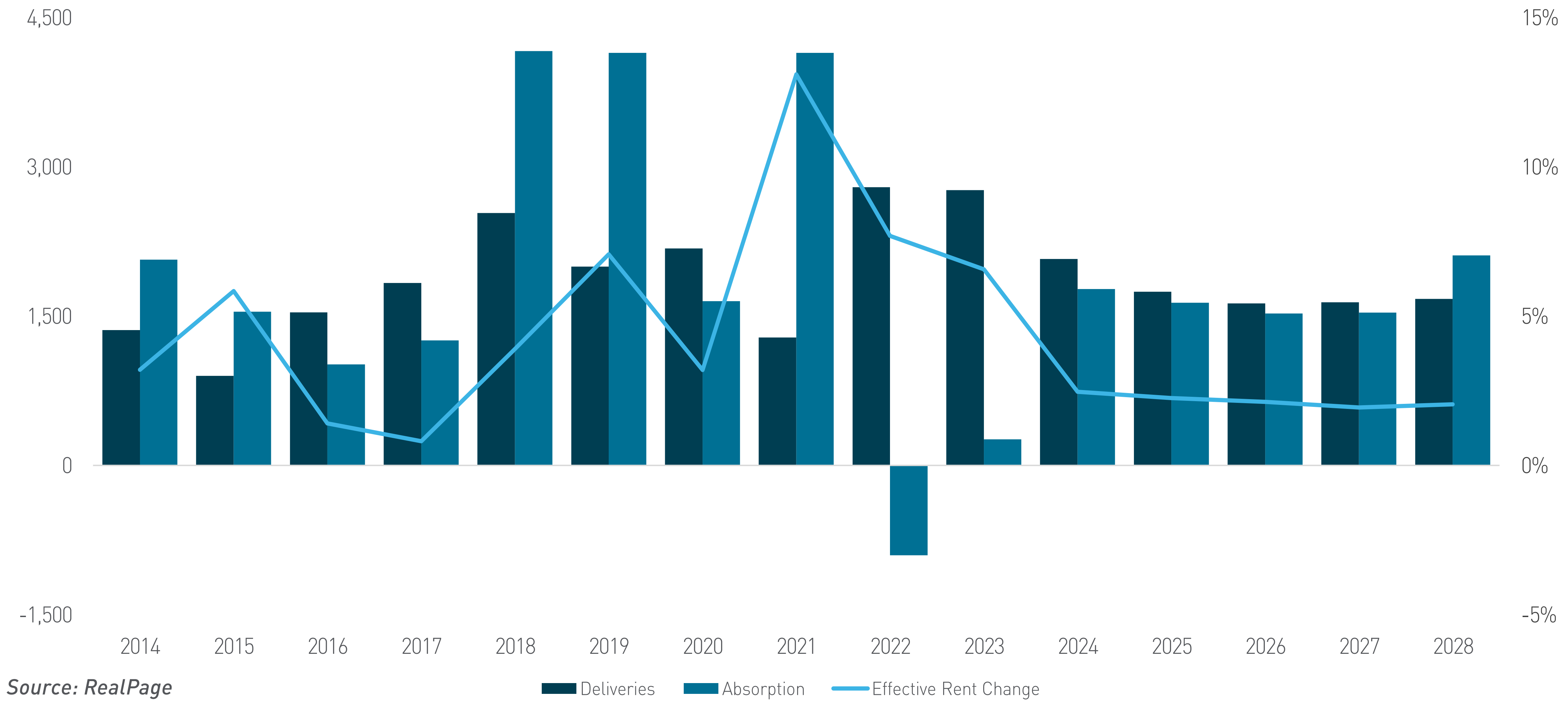
**Projected*

ST. LOUIS, MO

DELIVERIES & ABSORPTION

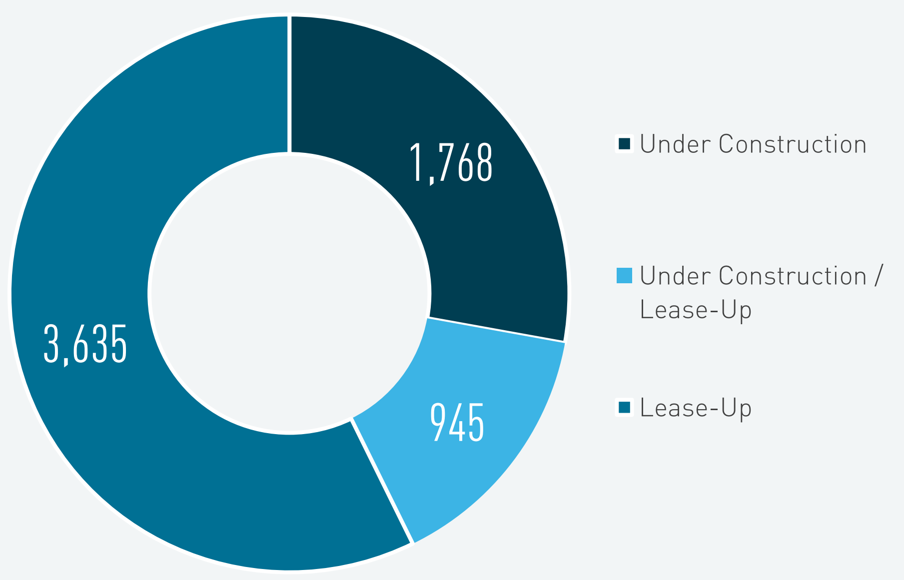
By the end of 2024, Metro St. Louis is projected to see a significant uptick in net move-ins compared to recent years. In the first two quarters of 2024, 651 net units were absorbed, already outpacing leasing activity from last year. Similar to 2022 and 2023, the St. Charles County submarket had the highest demand over the past six months, with 318 net move-ins. The area's popularity is underpinned by major employers in the area such as Amazon and Boeing. However, looking ahead at the rest of 2024, leasing activity is projected to be stronger in the St. Louis City submarket. After multiple revitalization efforts, the multifamily market is starting to heat up Downtown. Nearly 500 units are projected to be absorbed in the last two quarters of 2024, compared to only 34 net move-ins in 2023. By the end of 2024, net absorption is projected to reach 1,773 units, nearly six times higher than the 262 units absorbed in 2023. The growing interest in the St. Louis metro is partially due to its thriving economy, relative affordability, and entertainment options. Urban amenities such as major sports teams, museums, and a vibrant arts and culture scene in the city caused St. Louis to be ranked among the top 20 most fun cities in the U.S., according to Wallet Hub.

Deliveries, Absorption, & Effective Rent Change

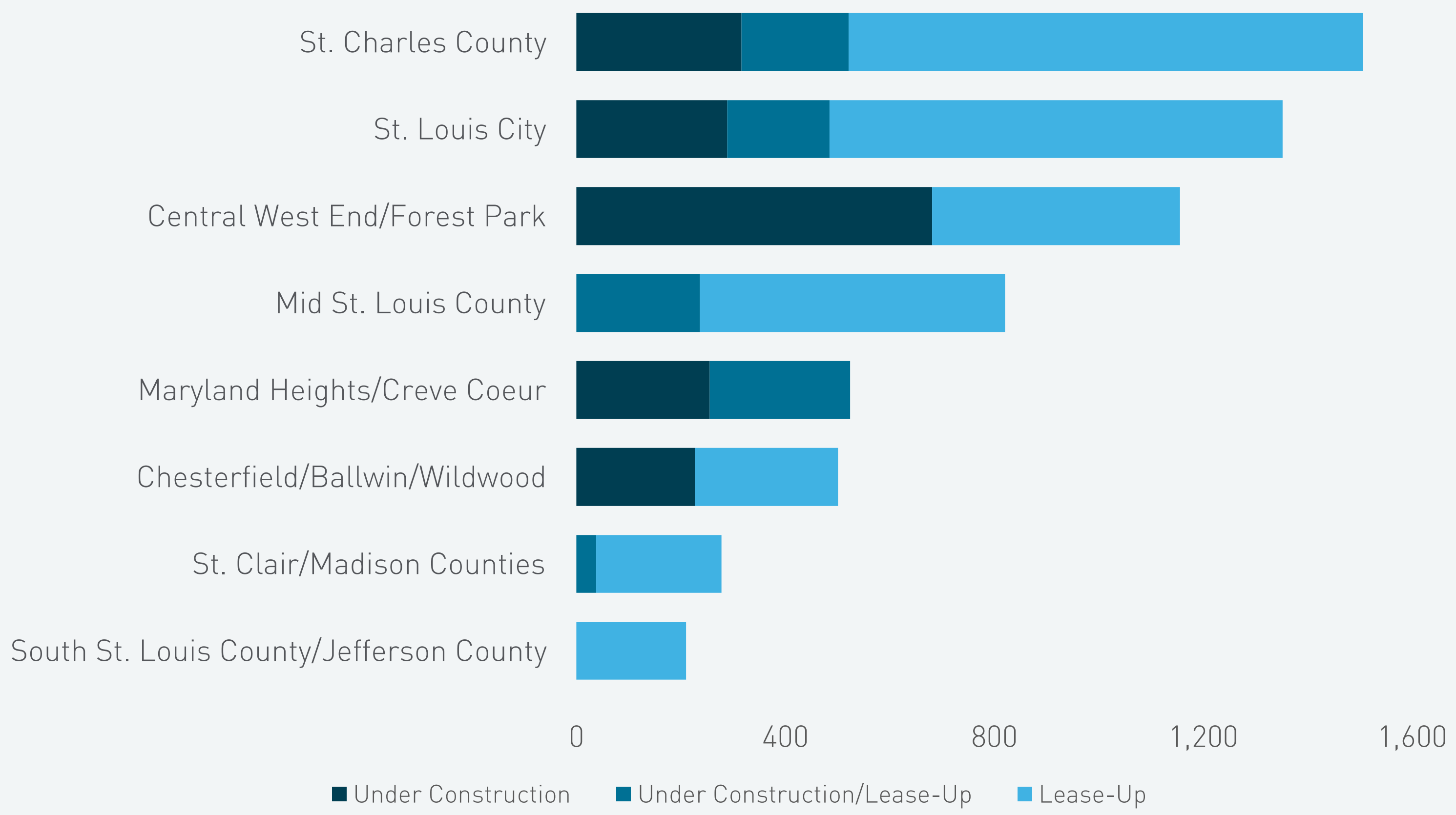


Source: RealPage

Market Pipeline



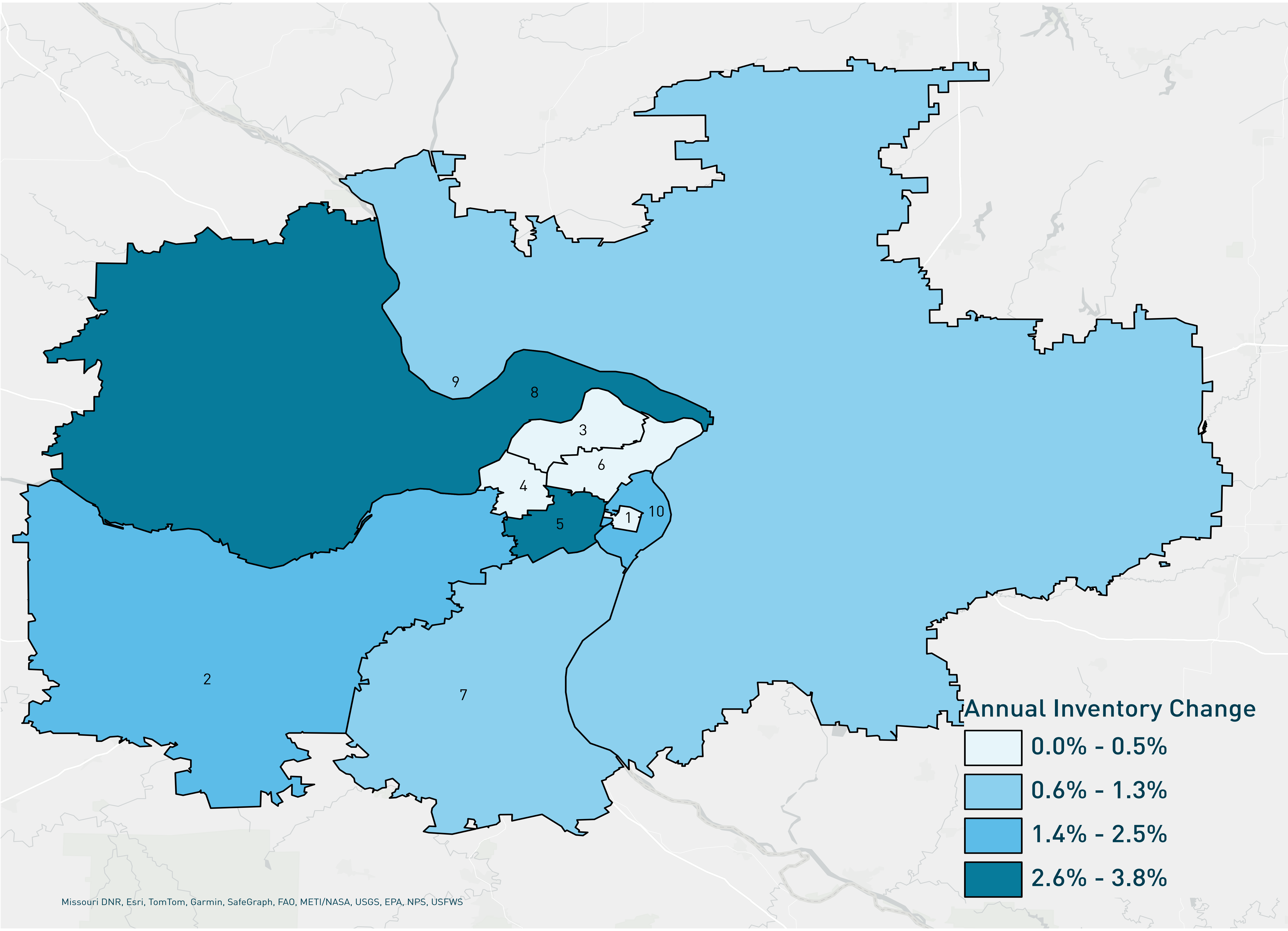
Top Submarket Pipelines



Increasing 3.8%, the St. Charles County submarket saw the highest inventory growth over the past year. This is on par for the metro since St. Charles County has been the number one target for multifamily developers for the past two years. This trend is set to continue as the submarket has over 1,500 units under construction and in lease-up, the most in the metro. Population growth in St. Charles County has supported the influx of units over the past few years. From 2020 to 2023, St. Charles County's population increased 2.5%. With its notoriety as one of the best places to live in Missouri, St. Charles County draws in new residents offering economic opportunity at major employers such as Amazon.com, Citi Bank, and General Motors. Beyond the economy, the submarket features award-winning schools, multiple parks, and unique shopping and dining experiences.

ST. LOUIS, MO

SUBMARKET MID-YEAR 2024 ANNUAL INVENTORY CHANGE



SUBMARKET BOUNDARIES

1. Central West End / Forest Park
2. Chesterfield / Ballwin / Wildwood
3. Florissant / Hazelwood
4. Maryland Heights / Creve Coeur
5. Mid St. Louis County
6. Northeast St. Louis County
7. South St. Louis County / Jefferson County
8. St. Charles County
9. St. Clair / Madison Counties
10. St. Louis City

Effective Rent

Q2 2024

$1,318

5.5% YOY

Occupancy

Q2 2024

93.6%

120 BPS YOY

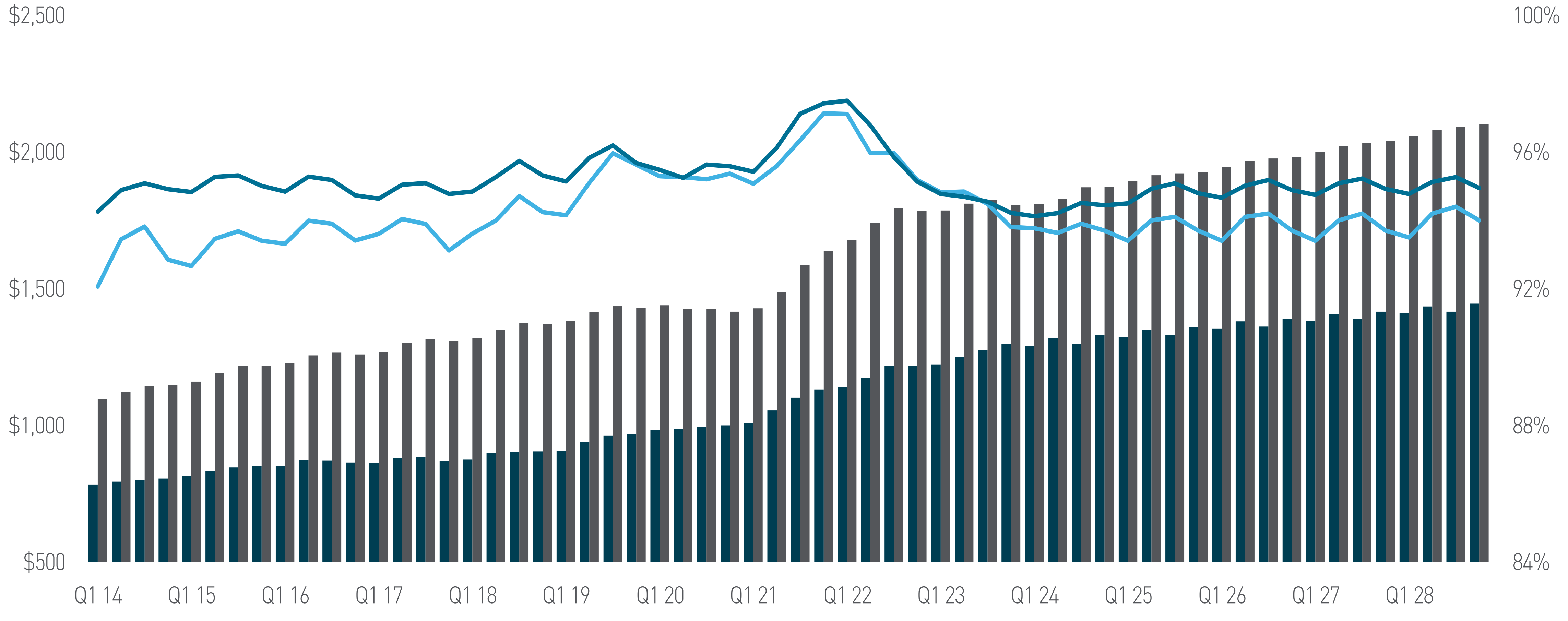
ST. LOUIS, MO

RENT & OCCUPANCY

Greater St. Louis ranked among the top 20 U.S. multifamily markets for the highest annual increase in effective rent in the second quarter of 2024. Despite growing 5.5% annually to $1,318, the monthly effective rent in St. Louis was still far below the national average of $1,828 per month. The metro's average effective rent is advantageous for those who were priced out of homeownership. The median monthly mortgage payment in the metro was nearly $600 more per month. St. Louis' annual effective rent growth at mid-year outpaced the pre-pandemic average of 3.5%. Apartment operators felt emboldened to raise rents because of the surge in demand this year. Class C performance also underpinned St. Louis's rental growth. Compared to Class A and Class B properties, Class C apartment rent rose the most, increasing 7.7%. Meanwhile, Class A and B rents only rose 4.7% and 4.1%, respectively.

Resulting from supply-side pressure, occupancy lowered 120 basis points year over year across the St. Louis metro to a still healthy average of 93.6%. Looking ahead, occupancy is forecasted to rise as net absorption is forecasted to remain at same pace as 2024 and deliveries will start to cool in 2025. By the same time next year, occupancy is projected to reach 94.0%, on par with St. Louis's five-year, pre-pandemic average.

St. Louis vs. National Effective Rent & Occupancy



Source: RealPage

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

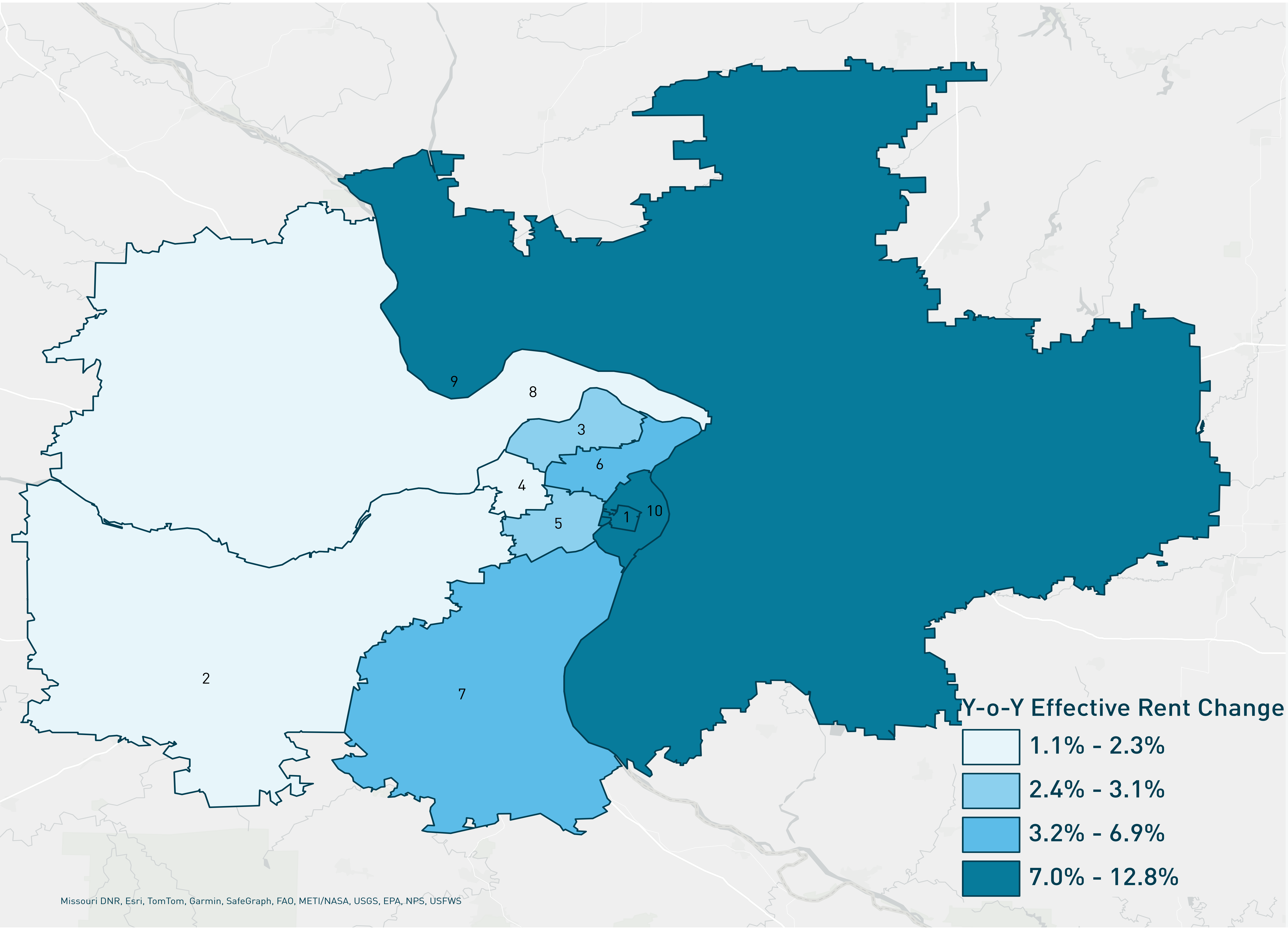
Submarket Performance

SUBMARKET NAME	Q2 2024 OCCUPANCY	YOY (BPS)	Q2 2024 EFFECTIVE RENT	YOY
Central West End/Forest Park	92.3%	-150	$1,712	7.9%
Chesterfield/Ballwin/Wildwood	95.3%	-130	$1,415	1.1%
Florissant/Hazelwood	92.3%	-150	$1,016	3.1%
Maryland Heights/Creve Coeur	93.7%	-130	$1,312	0.5%
Mid St. Louis County	92.8%	-200	$1,689	2.4%
Northeast St. Louis County	90.5%	-10	$855	5.6%
South St. Louis County/Jefferson County	96.2%	-90	$1,115	5.7%
St. Charles County	95.3%	-40	$1,377	2.1%
St. Clair/Masdison Counties	92.4%	-470	$1,424	12.8%
St. Louis County	90.5%	-180	$1,318	9.6%

Each of the 10 submarkets in the St. Louis metro saw year-over-year effective rent increases in the second quarter of 2024. The St. Clair/ Madison Counties had the highest annual rent increase, rising 12.8%. The submarket did not have any new inventory from mid-year 2021 to mid-year 2023. Over the past 12 months, 240 new Class A units were delivered in St. Clair/ Madison Counties, driving up the average rental rates in the submarket. The St. Louis City submarket had the second highest rent increase, jumping 9.6% annually. The submarket's healthy apartment fundamentals are partially attributable to its proximity to the metro's major employment hub, Downtown St. Louis. With notable employers such as Deloitte, PricewaterhouseCoopers, and Centene, nearly 60,000 employees work in Downtown. Beyond job opportunity, Downtown offers residents a desirable work-life balance with two professional sports teams and plenty of museums, restaurants, and bars.

ST. LOUIS, MO

SUBMARKET MID-YEAR 2024 ANNUAL RENT CHANGE



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ST. LOUIS, MO

SALES

2024 Year to Date*

VOLUME Nondisclousure	**PRICE PER UNIT (AVG)** Nondisclosure
TRANSACTIONS 20	**CAP RATE (AVG)** Nondisclosure

What's Trading?*

UNITS (AVG) 115	**YEAR BUILT (AVG)** 1950s
BUILDINGS (AVG) 5	**ACRES (AVG)** 6.11

Top Buyers*

BUYER	LOCATION
Beitel Group	Brooklyn, NY
Peaceable Street Capital	New York, NY
CAPREIT	Rockville, MD
Monarch	Franktown, CO
SDG Housing Partners	Manhattan Beach, CA

Top Sellers*

SELLER	LOCATION
Investcorp	Manama, BH
Pier Property Group	Clayton, MD
CAPREIT	Rockville, MD
McCormack Baron Salazar	St. Louis, MO
Sundance Bay	Salt Lake City, UT

Source: MSCI Real Capital Analytics
**$2.5m+*

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Sources: RealPage; Moody's Analytics; Real Capital Analytics