

MARKET FUNDAMENTALS

	YOY Chg	Outlook
9.9% Vacancy Rate	▼	▼
2.7K 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	Outlook
1.5M St. Louis Employment	▲	▲
3.8% St. Louis Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate <small>Source: BLS</small>	▲	▲

ECONOMY

The St. Louis unemployment rate closed the year at 3.8%, a 10 basis-point (bps) decrease from last quarter. However, the national average recorded a slight uptick from Q3 to 4.2%, which marks a 10-bps increase quarter-over-quarter (QOQ) and a more significant 50-bps increase year-over-year (YOY). The Federal Reserve lowered interest rates in December to a range of 4.2% to 4.5% and is expected to further lower rates to around 4.0% by the end of 2025.

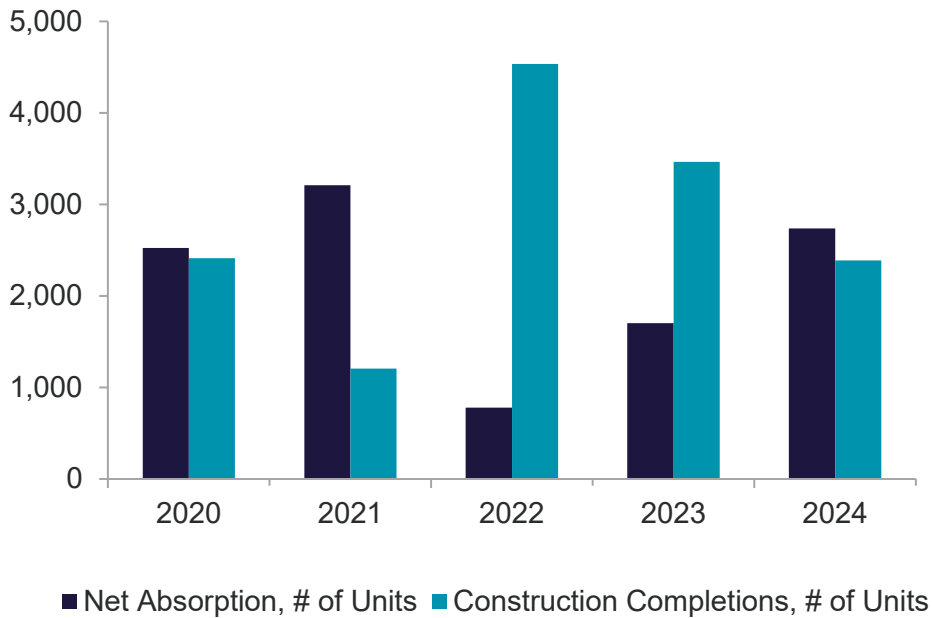
SUPPLY: POSITIVE ABSORPTION HOLDS VACANCY STEADY

Vacancy in the St. Louis multifamily sector closed Q4 at 9.9%, a 30-bps increase QOQ. This slight rise in vacancy was primarily driven by deliveries outpacing absorption in the second half of the year, with a total of 1,622 units delivered and just 727 units of absorption recorded within Q3 and Q4. However, St. Louis reported an annual absorption total of 2,737 units while delivering just under 2,400 new units. This marks the first year since 2021 that annual absorption totals have exceeded new development, leading to a 50-bps decrease in vacancy YOY. Effective rents held steady above \$1.40 per square foot (psf) throughout 2024, closing Q4 at \$1.42 psf.

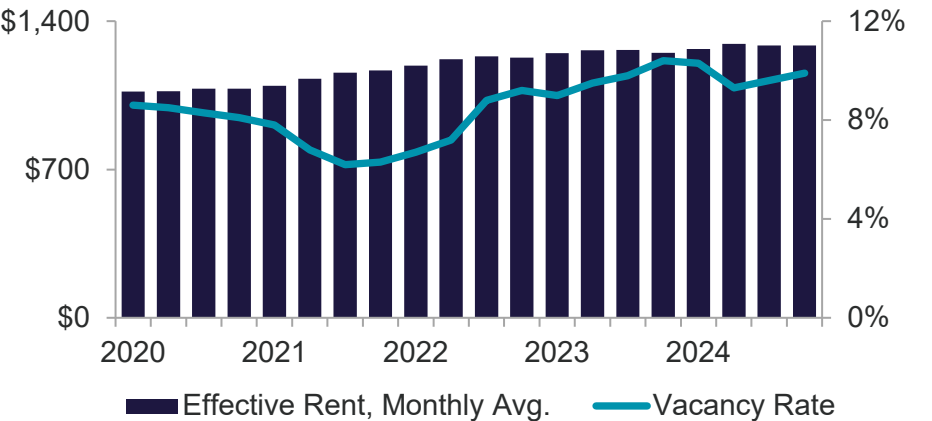
DEVELOPMENT: DELIVERIES DOWN QOQ, PIPELINE STABLE

St. Louis' multifamily development pipeline has begun to slow with 1,377 units under construction at the close of Q4, the lowest since Q4 2014. After record-setting years of development in 2022 and 2023, the market recorded 2,388 new unit deliveries in 2024, resulting in a 2.0% increase in inventory YOY. At the close of Q4, seven of St. Louis' 17 multifamily submarkets were tracking development activity, with the largest amount of development concentrated in the St. Charles County submarket (392 units). The remaining units under construction are located in Maryland Heights/Creve Coeur (255 units), Ballwin (226 units), Olivette (205 units), Metro East (144 units), South St. Louis City (95 units) and Kirkwood (60 units). With a slowdown in new construction, vacancy levels are expected to decline as the market continues to absorb newly-delivered inventory.

DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



Source: CoStar

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	68	5.2%	-110	\$1,428	\$1.48	3.9%
Central West End	8,203	413	5.1%	0	52	12.9%	390	\$1,546	\$1.78	-0.1%
Chesterfield	4,249	0	0.0%	0	212	8.2%	-500	\$1,599	\$1.61	1.1%
Downtown CBD	4,393	237	22.3%	0	31	17.1%	40	\$1,432	\$1.56	1.7%
Downtown Clayton	1,301	148	3.4%	0	105	21.1%	1,470	\$2,296	\$2.52	-3.2%
Jefferson County	11,233	0	0.0%	0	124	5.5%	-110	\$1,127	\$1.30	5.6%
Kirkwood South	5,458	152	2.8%	60	163	5.4%	-30	\$1,189	\$1.42	6.3%
Maryland Heights / Creve Coeur	10,324	269	2.6%	255	-29	8.9%	270	\$1,352	\$1.48	1.3%
Metro East	12,345	64	0.5%	144	213	5.0%	-120	\$1,204	\$1.23	2.7%
Mid-Town	3,926	199	5.1%	0	339	22.8%	-500	\$1,195	\$1.35	1.7%
North County	14,915	0	0.0%	0	-3	15.7%	0	\$954	\$1.08	5.9%
North St. Louis City	4,055	60	1.5%	0	84	12.5%	-80	\$898	\$0.96	4.5%
Olivette	3,133	262	8.4%	205	286	15.0%	-220	\$1,610	\$1.82	-0.4%
Richmond Heights	1,864	0	0.0%	0	-19	4.6%	100	\$1,486	\$1.87	5.4%
South St. Louis City	6,855	268	3.9%	95	219	13.5%	20	\$1,330	\$1.66	-0.3%
St. Charles County	19,886	316	1.6%	392	773	7.0%	-240	\$1,435	\$1.50	3.6%
University City	5,613	0	0.0%	0	122	8.8%	-220	\$935	\$1.17	4.6%
ST. LOUIS TOTALS	123,887	2,388	2.0%	1,377	2,740	9.9%	-50	\$1,286	\$1.42	2.8%

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	UNITS	PRICE \$ UNIT
Oak Forest Apartments	Maryland Heights/Creve Coeur	444	\$37.0M \$83,333
Spencer Creek Apartments	St. Charles County	240	\$21.7 M \$90,208
Falcon Place Townhomes	Metro East	144	\$22.3 M \$154,861

KEY DELIVERIES 2024

PROPERTY	SUBMARKET	UNITS	OWNER DEVELOPER
Timber Club	St. Charles	316	Tegethoff Development
One Foundry Way	Mid-Town	270	Vande East Partners LLC
NEO Vantage Pointe	Maryland Heights/Creve Coeur	269	Mills Properties
The Rail	Mid-Town	268	Green Street McRee Investors LLC

Source: CoStar

LUKE PARTRIDGE
Research Manager
Tel: +1 314 833 7172
luke.partridge@cushwake.com

MEGAN PEARSON
Research Analyst
Tel: +1 314 530 5154
megan.pearson@cushwake.com

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.