

SELF-STORAGE

St. Louis Metro Area

2H23

Economic Trends

Sustained improvements in local hotel operations have bolstered hiring initiatives in the leisure and hospitality sector so far this year, adding a net of 5,400 positions through July. This job creation helped the local unemployment rate hold at or below 3 percent, despite staff cuts within the financial activities industry. The trend weighs on the standing of total traditionally office-using sectors as employers are expected to reduce the number of these roles by 1 percent in 2023.

Demographic Trends

St. Louis' population remains stable this year, following a five-year stretch in which the resident base lowered by a collective 0.7 percent. Improved median household income growth, combined with relative homeownership affordability, are partially to credit for the stability recorded in 2023. Looking deeper, net outflows among 20- to 34-year-olds are being offset by growth within the 65-plus age cohort. These individuals often possess a larger collection of belongings, helping bolster self-storage demand.

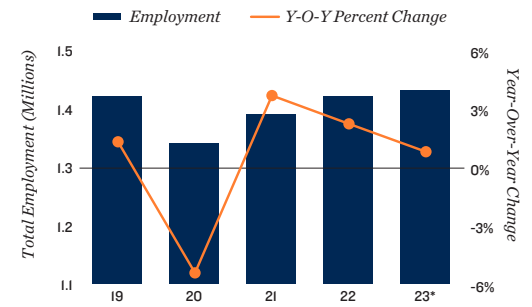
Supply and Demand Trends

A substantial vacancy hike in 2022 and elevated building costs have influenced some developers to alter or delay projects. In turn, 2023's inventory expansion of 1.2 percent will be the metro's smallest gain in a decade. Fewer completions, however, allow the upward pace of vacancy to ease, lifting by one-third of last year's margin and reaching 8.5 percent.

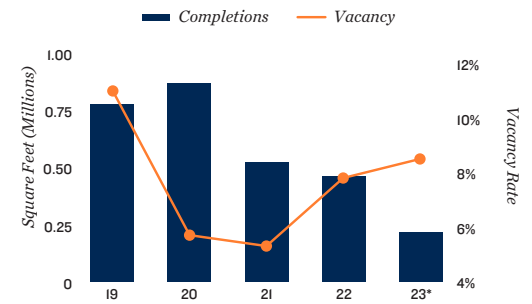
Rent Trends

A moderate vacancy increase and tame migration trends translate to a decline in the metro's average asking rate, albeit a smaller reduction than last year's 3.0 percent pullback. Settling at \$0.95 per square foot in December, St. Louis' mean rent figure will still record 6.7 percent ahead of its 2019 measure.

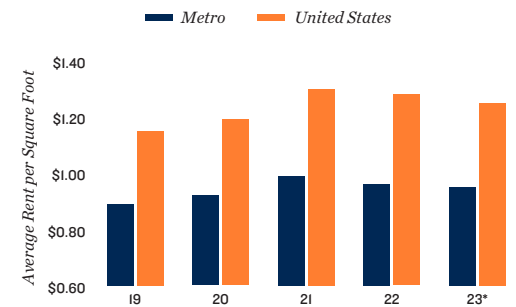
Employment Trends



Supply and Demand Trends



Rent Trends



* Forecast

Sources: BLS; Moody's Analytics; Radius+; Yardi Matrix; U.S. Census Bureau

FORECAST

EMPLOYMENT

▲ +0.8%

CONSTRUCTION

▼ 215,000
square feet

VACANCY

▲ 70
basis points

RENT

▼ -1.0%

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