

Urban Land Institute
Technical Assistance Panel
BRIEFING BOOK

DEVELOPMENT
of the
GRAND METROLINK
STATION



GRAND METROLINK STATION SUMMARY

Citizens for Modern Transit in partnership with Metro commissioned a ULI Technical Assistance Panel (TAP) for the Grand MetroLink Station Area. A panel of local ULI professionals will look at the possibilities for Transit Oriented Development (TOD) opportunities at the Grand MetroLink Station and the surrounding areas.

TOD education and advocacy is a key goal for CMT this year, and it is our hope that this ULI Study takes our education and advocacy efforts one step further by providing a tool to move development forward.

The GRAND TAP will focus on and answer the following three questions:

1. *SHORT TERM: What is the best way to integrate, and design for, the land uses at and around the station given the grade separation along Grand? What potential incentives i.e. physical infrastructure and financial incentives could stakeholders provide to increase the desirability for this location? In addition, how can any project better integrate the successful Grand bus line with record ridership into the development?*
2. *LONG TERM: Considering the parcels owned or controlled by Metro and the City of St. Louis around the Grand Station, what potential uses will attract development talent and investment capital to the site while supporting the needs/goals of St. Louis University and Harris Stowe as two of the primary stakeholders in the area?*
3. *What land uses would the City of St. Louis like to see around the station, and what is the market for such?*

**ULI TECHNICAL ASSISTANCE PANEL
BRIEFING BOOK
DEVELOPMENT OF GRAND METROLINK STATION**

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Grand Station

This station profile describes existing conditions around the Grand MetroLink Station. This is one of a set of profiles for each of the MetroLink System's 37 light rail stations. These profiles present demographic and employment data from within a half-mile of the station, and describe the land uses and building types within a quarter-mile of the station. They also identify Metro-owned parcels that may offer opportunity to encourage new development around the station; other vacant and underutilized sites that may offer opportunity for infill development; and the physical, policy, and zoning barriers to TOD that currently exist. These profiles serve as a basis for conversation and planning with the community, elected officials, developers, financial institutions, and other stakeholders.

The Grand Station provides a direct light rail connection to one of the region's busiest and most densely-developed corridors, Grand Boulevard. The MetroLink rail line is in the same right-of-way as an active freight railroad, and lies under the Grand Boulevard Bridge, which is currently being completely reconstructed. The station is adjacent to Saint Louis University's main campus, and several SLU buildings are within or just outside the quarter-mile station area. The quarter-mile station area also contains a high-density residential development across Grand Boulevard from SLU's campus, which includes a 26-story residential tower; a 16-story residential tower; a three-story mixed-use building; and a one-story commercial property. Metro's Main Shop is at the very eastern edge of the station area, and Goodwill Industries recently repurposed a vacant, seven-story commercial building at the western edge of the station area as a retail outlet and distribution facility. The remainder of the station area is occupied by heavy industrial uses and open storage lots, many of which are now vacant.

The quarter-mile station area covers 136 lots on 15 blocks, with a total assessed value of \$14,173,040.

Regional Accessibility by Transit

From the Grand Station, MetroBus and MetroLink offer timely travel and direct connections to a wide range of housing opportunities, shopping, jobs, and other high-demand destinations:

- **#70 Grand MetroBus**
 - Wellston
 - Normandy
 - UMSL South MetroLink Station
 - North Hanley MetroLink Station
- **#58X Twin Oaks Express MetroBus**
 - Maplewood
 - Webster Groves
 - Kirkwood
 - Chesterfield
 - Downtown
 - Convention Center, 8th & Pine, and Civic Center MetroLink Stations
- **MetroLink (RED AND BLUE LINE)**
 - Central West End (5 minutes)
- **#410X Eureka Express MetroBus**
 - Maplewood
 - Webster Groves
 - Valley Park
 - Downtown
 - Convention Center, 8th & Pine, and Civic Center MetroLink Stations
- **MetroLink (RED LINE)**
 - Scott Air Force Base (50 minutes)
 - Lambert International Airport (30 minutes)
- **MetroLink (BLUE LINE)**
 - Clayton (15 minutes)
 - Richmond Heights (15 minutes)

As can be seen in Table 1 below, average boardings for the Grand MetroLink Station is at least twice as high as the average boardings for stations in Missouri and system-wide.

Table 1: Average MetroLink Boardings Estimates*

	Total Monthly Boardings	Average Daily Boardings	
		Weekday	Weekend
METROLINK STATION AVERAGE	36,500	1,360	830
MISSOURI STATION AVERAGE	42,000	1,560	960
GRAND METROLINK STATION**	78,800	3,010	1,640

*Metro Fiscal Year July 2010 - June 2011 **Grand MetroLink Station Estimates for July 2010-February 2011

Demographics, Housing, and Employment

Most of the land around the Grand Station is occupied by large industrial uses, but there are approximately 6,800 people living within a half-mile of the Grand Station. As shown in Table 2 below, the residential population appears to consist mostly of young students and professionals, with over half of the population between the ages of 18 and 24. One-half of residents possess a high school diploma, and 31.8% have a college or graduate degree. Only 10% of the households in the area make more than \$50,000 per year, and nearly half of the individual residents live below the federal poverty line.

Table 2: Demographics

Population		Population		Income		
Acres	1,427.4	Age		Persons in poverty	42.8%	
Population	6,773	0-17	7.3%	Household income		
Density (persons/acre)	4.7	18-24	57.3%		\$0-9,999	32.8%
Sex		25-34	7.3%	\$10,000-14,999	12.4%	
		35-64	20.7%	\$15,000-24,999	16.5%	
Male	49.7%	65+	7.4%	\$25,000-49,999	27.6%	
Female	50.3%	Education*		\$50,000-74,999	4.5%	
		No diploma	16.5%	\$75,000-99,999	2.1%	
		High school	51.7%	\$100,000+	4.1%	
		College degree	15.8%	Household size		
		Graduate degree	16.0%		1	64.8%
					2	19.6%
					3	7.6%
					4	5.6%
				5+	2.5%	

Source: 2005-2009 American Community Survey, US Census Bureau

*Education statistics apply to persons age 25 or older.

As shown in Table 3 below, the half-mile station area has an average residential density of 1.7 housing units per acre, which is comparatively low for the St. Louis region; this is to be expected for an area primarily occupied by large industrial uses. Half of the housing stock was built before World War II, with only 7.2% built since 2000. Most of the occupied housing stock (83%) is rental units, and the overall vacancy rate is 24%. This housing is comparatively affordable, with one-third of the owner-occupied units being valued less than \$100,000, and 62% of rental units priced below \$500 per month. It is also a fairly transit-supportive neighborhood, where nearly one-half of households don't own a car, 10.9% use transit for their daily commute, and 22% walk to work.

Table 3: Housing and Transportation

Housing		Housing			Transportation	
Housing Units		Owner-occupied housing values			Vehicle Availability	
Total units	2,429	< \$100,000	111	34.7%	Zero-vehicle households	42.3%
Density (DUs/acre)	1.7	\$100,000-199,999	108	33.8%	Owner-occupied	22.5%
Occupied	1,850	\$200,000-299,999	72	22.5%	Renter-occupied	46.4%
Owner-occupied	320	\$300,000-499,999	29	9.1%	Workers*	2,629
Renter-occupied	1,530	\$500,000+	0	0%		
Vacant	579	Rental prices			Means of commute*	
Housing Age		No cash rent	90	5.9%	Drives alone (SOV)	47.6%
Pre-1940s	1,166	\$0-100	19	1.3%	Carpool	8.8%
1940s-1990s	1,089	\$100-499	876	60.8%	Transit	10.9%
2000s	174	\$500-749	240	16.7%	Motorcycle	0%
		\$750-999	141	9.8%	Walk	21.9%
		\$1000-1499	104	7.2%	Other	4.2%
		\$1500+	60	4.2%	Work at Home	6.6%

Source: 2005-2009 American Community Survey, US Census Bureau

*"Workers" refers to persons age 16 or over who self-identified as being employed.

Table 4 provides data on employment within the station area. Within a half-mile of the Grand MetroLink Station there are 225 firms and agencies employing 4,132 people. The vast majority of these jobs fall into the health care and social assistance sectors. Other sectors providing a considerable number of jobs include manufacturing; retail trade; professional, scientific, and technical services; and accommodation and food services.

Table 4: Employment, Half-Mile Radius

NAICS	Industry	Firms	Jobs	NAICS	Industry	Firms	Jobs
21	Mining, Quarrying, and Oil & Gas Extraction	1	3	54	Professional, Scientific, Technical Services	6	180
23	Construction	7	127	56	Administrative & Support, Waste Management & Remediation Services	5	174
31-32-33	Manufacturing	10	797	61	Educational Services	3	134
42	Wholesale Trade	8	110	62	Health Care & Social Assistance	125	1,881
44-45	Retail Trade	17	188	71	Arts, Entertainment, and Recreation	2	10
48	Transportation & Warehousing	1	25	72	Accommodation and Food Services	13	165
51	Information	1	1	81	Other Services	11	184
52	Finance & Insurance	4	49	92	Public Administration	2	56
53	Real Estate, and Rental & Leasing	6	39	99	Unclassified	3	9
Total:						225	4,132

Source: ReferenceUSA as accessed via the St. Louis City Library Database

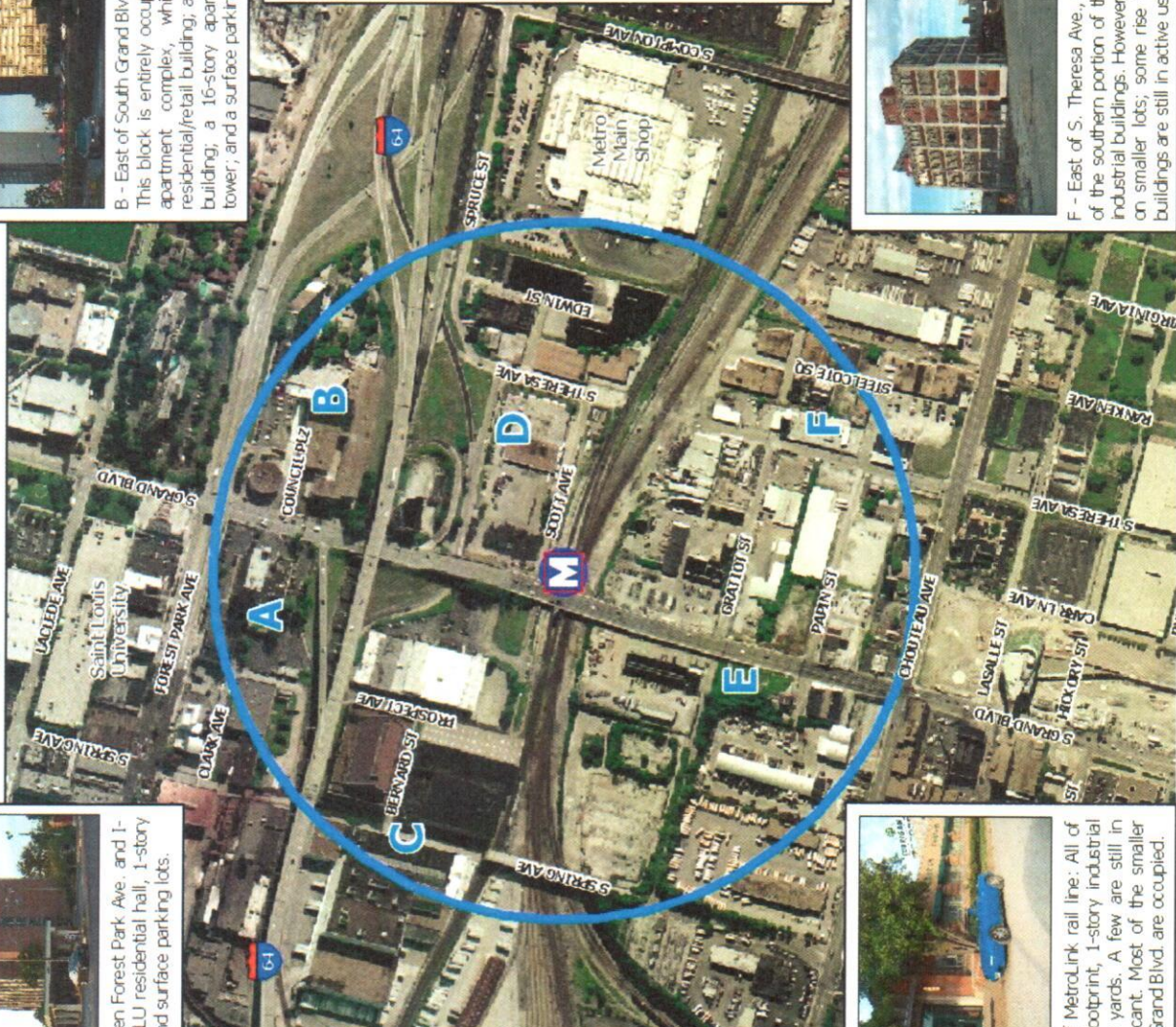
Neighborhood Context: Summary

The Grand Station provides a direct light rail connection to one of the region’s busiest and most densely-developed corridors, Grand Boulevard. The MetroLink rail line is in the same right-of-way as an active freight railroad, and lies under the Grand Boulevard Bridge, which is currently being completely reconstructed. The station is adjacent to Saint Louis University’s main campus, and several SLU buildings are within or just outside the quarter-mile station area. The station area also contains a high-density residential development across Grand Boulevard from SLU’s campus, north of I-64, which includes a 26-story residential tower; a 16-story residential tower; a three-story mixed-use building; and a one-story commercial property. Metro’s Main Shop is at the very eastern edge of the station area, and Goodwill Industries recently repurposed a vacant, seven-story commercial building at the western edge of the station area as a retail outlet and distribution facility. The remainder of the station area is occupied by heavy industrial uses, many of which are now vacant buildings.

The map on this page illustrates the general station location and quarter-mile station area. The map on the following page provides a more detailed description of existing land uses and prevailing development patterns within that quarter-mile area.



Grand Station: Neighborhood Context



A - West of South Grand Blvd., between Forest Park Ave. and I-64: This block contains a 10-story SLU residential hall, 1-story industrial and commercial buildings, and surface parking lots.



B - East of South Grand Blvd., between Forest Park Ave. and I-64: This block is entirely occupied by the Council Plaza/Grand View apartment complex, which includes a 3-story, mixed-use residential/retail building, a detached, vacant, 1-story commercial building; a 16-story apartment tower; a 26-story apartment tower; and a surface parking lot.



C - S. Spring Ave. between I-64 and MetroLink rail line: This block contains a refurbished 7-story Goodwill Industries retail outlet/distribution facility and the vacant, 4-story Army building.



D - East of S. Grand Blvd., between I-64 and MetroLink rail line: These lots contain 1-2 story industrial buildings and open storage lots. A number of these properties are vacant, but many are still occupied and well-maintained, including Metro's Main Shop.



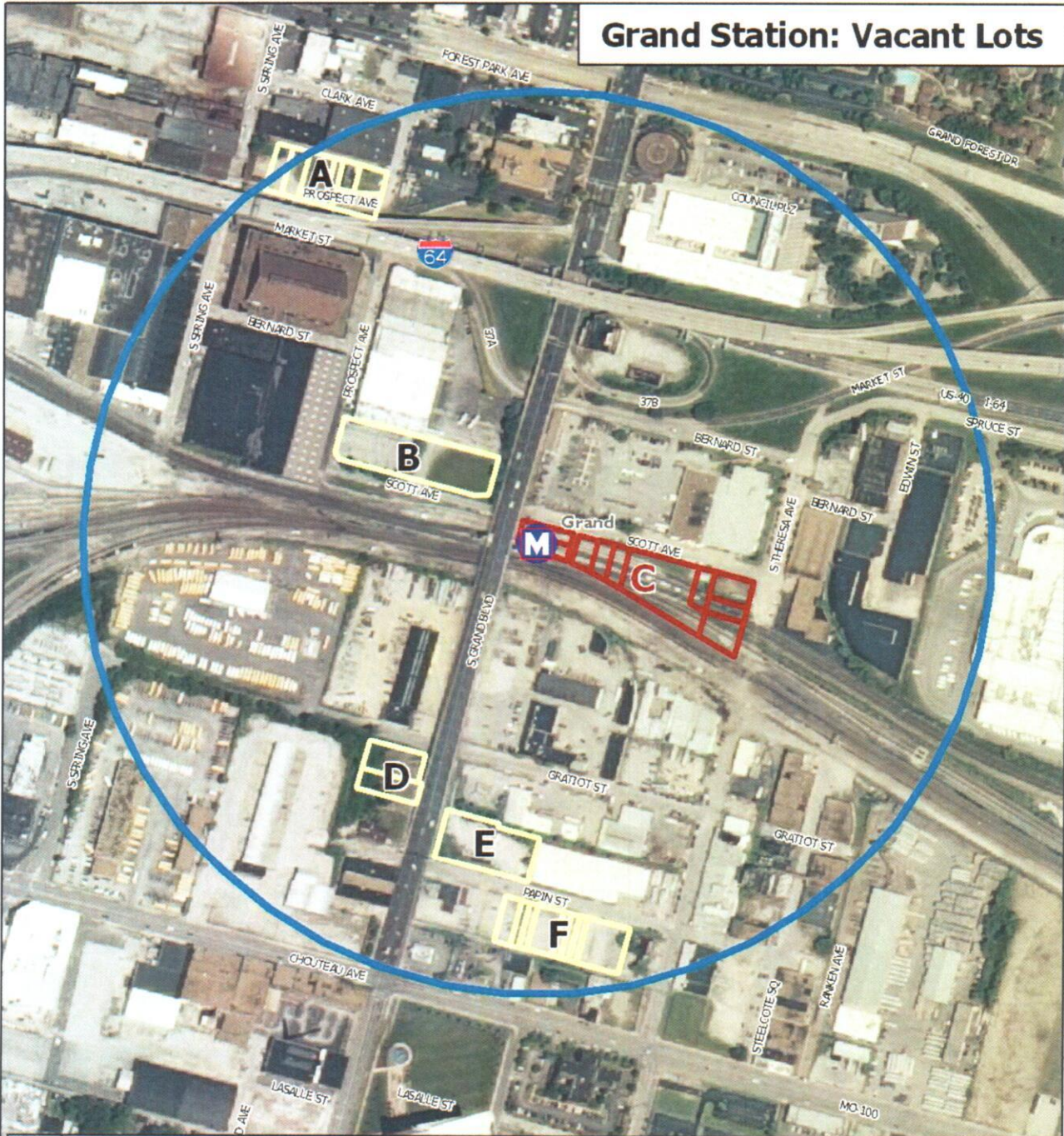
E - West of S. Theresa Ave., south of MetroLink rail line: All of these lots are developed with large-footprint, 1-story industrial uses, utilities, and/or vehicle storage yards. A few are still in active use, but many seem to be vacant. Most of the smaller buildings on Chouteau Ave. east of S. Grand Blvd. are occupied.



F - East of S. Theresa Ave., south of MetroLink rail line: Like most of the southern portion of the station area, these lots host vacant industrial buildings. However, these buildings tend to be larger and on smaller lots; some rise 3-5 stories. A small number of these buildings are still in active use.



Grand Station: Vacant Lots



Area	Area Description	Ownership	Zoning	# Lots	Acres	Assessed Value
A	Spring Ave. north of I-64	Multiple	K: Unrestricted	7	1.1	\$69,600
B	Lot northwest of MetroLink Station	Ameren	K: Unrestricted	1	1.3	\$48,800
C	MetroLink Station	Metro	J: Industrial	10	2.1	\$195,800
D	South side of Gratiot St. at Grand Blvd.	Saint Louis University	J: Industrial	2	0.6	\$23,300
E	North side of Papin St. at Grand Blvd.	Saint Louis University	J: Industrial	1	0.9	\$105,800
F	South side of Papin St. at Theresa Ave.	Multiple	J: Industrial	8	1.2	\$44,100

1/4-Mile Station Area

Vacant Lot

Metro-Owned Lot

0 50 100 200 Feet



Zoning, Land Use Policies, and Community Plans

The map and table on the following pages illustrate and explain current zoning regulations within a quarter-mile of the Grand Station. The station area is entirely within the City of St. Louis, and all lots are covered by one of the following zoning districts:

- D: Multi-Family Residential District
- H: Area Commercial District
- J: Industrial District
- K: Unrestricted District

Potential Development Opportunities and Issues

Availability of land: There is a considerable amount of underutilized land and vacant buildings within the station area, but there are only six concentrations of vacant land within a quarter-mile of the Grand Station. Those six sites total approximately seven acres, and one of them is a two-acre lot owned by Metro. TOD around the Grand Station will largely depend on redevelopment of former industrial property or selective infill on underutilized lots.

Zoning: Under existing zoning regulations, the Grand Station may offer potential for business and industry-focused TOD. The majority of the station area is within a J or K District, which allows commercial, office, and industrial uses up to 8 stories or 100'. The K District does not allow residential uses or mixed-use developments, and the J District only allows residential use if at least 40% of an existing block front is already developed with housing units; that is not the case within the industrial core surrounding the station. Residential and mixed-use buildings are allowed in the D and H Districts in the northern portion of the station area, but those lots are already occupied by a SLU dormitory and the Council Plaza/Grand View Apartments mixed-use complex. **Overall, existing zoning regulations around the Grand Station may support a higher-density, pedestrian-oriented form of industrial and business TOD, but would not permit residential development.** However, the City's Community Unit Plan (CUP) and Planned Unit Development (PUD) special districts may permit greater flexibility in development and site planning.

Grand Station: Zoning and Land Use

M Grand Station

 Quarter-mile station area

 MetroLink

K Zoning Districts

Land Use

-  Single-Family Residential
-  Multifamily Residential
-  Commercial
-  Industrial
-  Community Facility
-  Open Space/Agriculture
-  Vacant

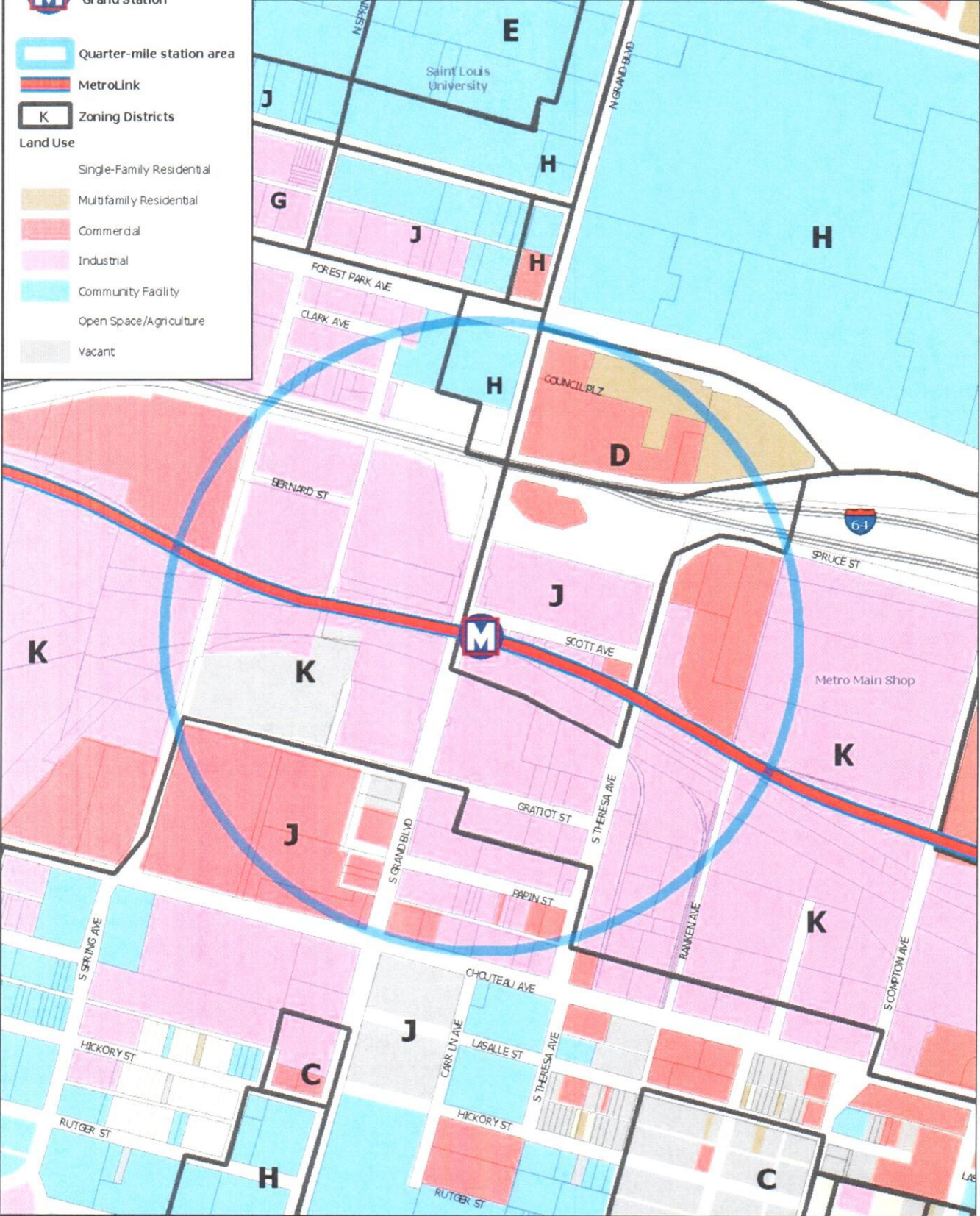
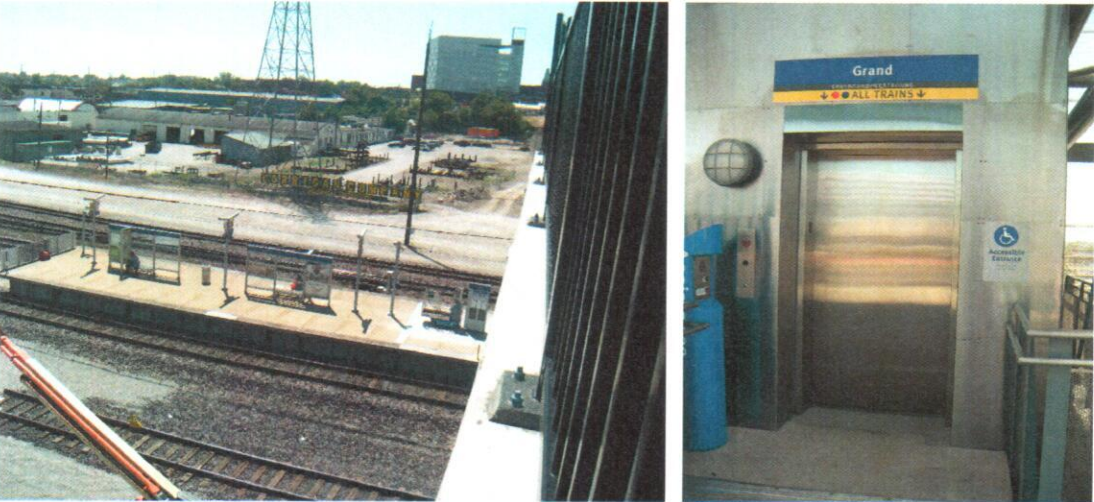


Table 5: Grand Station: Existing Zoning Regulations

District Type	D	H	J	K
	Multifamily Residential	Area Commercial District	Industrial District	Unrestricted District
Uses Permitted	All residential types; churches; parks and playgrounds; libraries	All residential types; churches; hotels; parks and playgrounds; libraries; range of locally-oriented retail and services; offices; bars; laundries; liquor stores; milk bottling plants; printing shops; restaurants; tinsmith; wholesale	All uses allowed, including gas stations; drive-thrus; used car sales; and auto repair. Residential uses are not permitted unless 40% of street frontage already occupied by dwellings	All uses, except residential and conditional uses listed below
By Special Permit	B&Bs; day care; cemeteries; farming and truck gardening; government buildings; hospitals; greenhouses; parking lots/garages; public museums and galleries; schools; utility substations; hotels; nursing homes; group homes; boarding houses; offices up to 3,500 sq.ft.; and a limited set of neighborhood retail and services, only allowed on first floor and in basements	Retail and services over 7,500 sq.ft.; bars; liquor stores; restaurants; parking lots; theaters; gas stations; drive-thrus	Outdoor pay telephones	Salvage storage, wholesaling, and retailing; outdoor pay telephones; a defined set of potentially noxious and/or dangerous industrial uses
Minimum Lot Area	1-family homes = 4,000 sq.ft.; 2-family homes & town houses = 850 sq.ft. per DU; apartments = 750 sq.ft. per DU	1-family homes = 4,000 sq.ft.; 2-family homes & town houses = 750 sq.ft. per DU; apartments = 250 sq.ft. per DU	1-family homes = 4,000 sq.ft.; 2-family homes & town houses = 750 sq.ft. per DU; apartments = 250 sq.ft. per DU	Residential = same lot area requirement as least restrictive adjacent residential district
Maximum Building Height	Residential = 3 stories / 45'; institutions = 85	8 stories / 100'	8 stories / 100'	8 stories / 100'
Maximum F.A.R.	Commercial = 1.5	N/A	N/A	N/A
Minimum Front Yard	Contextual line-up; otherwise, at least 10', no more than 25'	Residential = contextual line-up; otherwise 10', no more than 25'. Other = none required, but contextual line-up if 25% or more of street is developed	Contextual line-up; otherwise, at least 10', no more than 25'	None required, but contextual line-up if 25% or more of street is developed
Minimum Side Yard	Residential = 1 required, min 4'; other under 3 stories/35' = 2 required, 4' each	None required, except 5' abutting a residential district. Mixed-use = 2 required, 8'	Generally 1 required, min 4'; 2 deeper yards required for buildings over 35'	None required, except 5' abutting a residential district. Mixed-use = 2 required, min 8' each
Minimum Rear Yard	15', unless 12' side yard provided	None required	15' - 20'	None required
Parking	Residential = 1 per DU	Residential = 1 per DU; retail = 1 per 700 sq.ft. over 3,000 sq.ft.; restaurants = 1 per 200 sq.ft. over 1,000 sq.ft.; hotels = 1 per 4 sleeping rooms; industrial and wholesale = 1 per 10 employees		
Miscellaneous	In residential districts, front-yard parking requires a special permit. In D Districts, building heights may match the prevailing development pattern. In H Districts building heights may be increased with provision of deeper side yards. There are three zoning overlay districts meant to provide greater flexibility and good planning for new developments. A Community Unit Plan (CUP) District allows a large-scale planned development for an area of at least 35 acres. Planned Unit Development (PUD) Districts are similar to CUPs, but at a smaller scale. Special Use Districts (SUDs) can be used to encourage particular development outcomes in specific areas, by allowing either more or less flexibility in permitted uses. All of these overlay districts require formal review and approval of the rezoning and a detailed site plan.			

*DU = dwelling unit

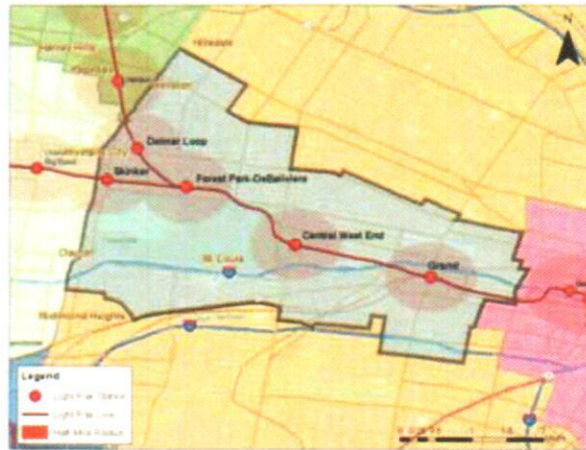
New Grand Station unveiled in August, 2012



Central St. Louis City

The Area

The Central St. Louis City TOD subarea (Central City subarea) is bounded by Delmar and Page Boulevard to the north, the St. Louis City boundary to the west, Manchester Avenue to the south, and Jefferson Street to the east. The primary destinations are the Central West End historic district, Forest Park, BJC-Washington University Medical Center, Washington University, St. Louis University, and medium-density residential neighborhoods in the area.



Population and Demographics

Population in the Central City subarea declined between 2000 and 2010 by 1.7 percent, although the total number of households increased by 0.9 percent. This divergence in population and household change was driven by declining household sizes, which fell from 1.96 in 2000 to 1.87 persons per household in 2010. In 2010, there were 55,687 residents living in 26,870 households.

Residents in the Central City subarea share similar traits with residents in the Downtown St. Louis subarea in that they are mostly young, single, and highly educated. Between 2000 and 2010, the proportion of the population between the ages of 18 and 34 increased from 34.1 percent in 2000 to 41.6 percent in 2010. The median age also fell from 33.3 in 2000 to 32.1 in 2010, which was below the median age in the EWG Region (37.9). In fact, the two subareas in St. Louis City were the only TOD subareas where the median age fell between 2000 and 2010.

Non-family households constitute the majority of all households. In 2010, non-family households comprised 65.6 percent of households. Compared to the EWG Region, where only 35 percent were non-family households, the Central City subarea, like the Downtown subarea, featured a significant concentration of single and unrelated individuals living together.

Residents in this subarea are also highly educated. Fifty percent of the subarea's residents held a college degree or higher; one-quarter of residents over 25 held a graduate degree or greater.

Compared to the Downtown St. Louis City subarea, there is a higher proportion of homeowner households in the Central City subarea (33 percent) compared to Downtown (22.6 percent). Still, in both TOD subareas, renter households exceeded homeowner households, in contrast to all other TOD subareas and the EWG Region.

One reason why population gains were not more pronounced in this subarea is that few units were built between 2000 and 2010. According to census data, 1,383 net housing units were added to

this subarea, a 4.4 percent increase between 2000 and 2010. Land constraints are responsible for the lack of development. In fact, Reis data on the residential rental market suggest a pent-up demand for additional rental apartments. As of Q1 2012, the vacancy rate for rental apartments in this subarea was below five percent, which suggests a tight rental market. In addition, average effective rents for both Class A (\$1,149) and Class B (\$780) multifamily rental apartments were higher in the Central City subarea compared to the metropolitan market (\$745).

MetroLink Station Areas

The five MetroLink stations in this subarea are Delmar Loop, Skinker, Forest Park-DeBaliviere, Central West End, and Grand. Ridership data from MetroLink indicates that four of the five stations ranked among the top seven stations with the most ridership in the entire system. The residential density around these five stations is the highest compared to all other TOD subareas.

Table 4: Central St. Louis City Stations

Station (a)	Average Daily Boardings (b)			2010 Demographics (d)					
	Weekday	Weekend	Rank by Boardings (c)	Pop/ Acre	Emp/ Acre	Median HH Income	Households	Housing Units	
Delmar Loop	1,940	1,160	7	13.3	2.8	\$ 32,500	4,694	5,772	
Skinker	700	370	27	14.6	2.2	\$ 53,805	3,018	3,461	
Forest Park-DeBaliviere	3,980	2,680	2	14.0	4.4	\$ 39,736	3,109	3,624	
Central West End	5,440	2,130	1	12.7	22.6	\$ 29,173	4,677	5,506	
Grand	3,010	1,640	5	7.1	2.9	\$ 17,848	3,420	4,158	
Average	1,360	830							

Notes:

(a) This table is a snapshot of demographic and transit data for a 1/2-mile radius around each light rail station. Because many stations are located less than a 1/2-mile apart, some census block groups were counted in multiple station analyses. Because there is overlap in the data, these figures present a snapshot of conditions and are not meant to be summed. The station areas were defined by taking the 2010 census block groups within a 1/2 mile radius from the light rail stations. These areas match the block groups used in the 2010 MetroLink Station Area Profile Catalog prepared by Metro in 2010, with minor adjustments to a few station areas, where block group boundaries changed between 2000 and 2010.

(b) Average daily boardings data provided by MetroLink, based on fiscal year July 2010-June 2011.

(c) The ranking is determined by calculating the sum of the average daily weekday and weekend boardings per station, and organizing the values by the most to fewest boardings.

(d) Population, households, and housing data were based on the 2010 census. Employment data was provided by MetroLink, from the 2010 MetroLink Area Profile Catalog. Median income data from 2006-2010 5-year ACS estimates.

Sources: US Census, 2010; ACS, 2006-2010; MetroLink, 2010; BAE, 2012.

Dense residential settings and proximity to employment nodes and major institutions contribute to higher levels of transit ridership. According to ACS data, 10.1 percent of residents in this subarea took public transportation to work, which was higher than residents in the EWG Region (2.8 percent). In addition, 11.1 percent of residents walked to work, the highest percentage among all TOD subareas. Still, the primary mode of transportation to work was driving, as 65.2 percent of residents drove to work.

Commute times were better for residents in this subarea compared to the Region. Seventy-six percent of commuters living in this subarea traveled less than 30 minutes to work, compared to 61.9 percent in the EWG Region. The proportion of residents who traveled less than 15 minutes to work was more striking (34.4 percent) compared to the EWG Region (23.7 percent).

Jobs and Employed Residents

The Central City subarea is a major employment node for education and health services. In 2010, education and health was the largest sector, accounting for 57.6 percent of all jobs in the subarea. The next biggest industries were leisure and hospitality (9.4 percent), and management and administration (7.3 percent).

A higher proportion of residents in the Central City subarea were employed in occupations in management and professional jobs compared to workers in the EWG Region. Fifty percent of residents worked in these sectors, compared to 37.1 percent in the Region.

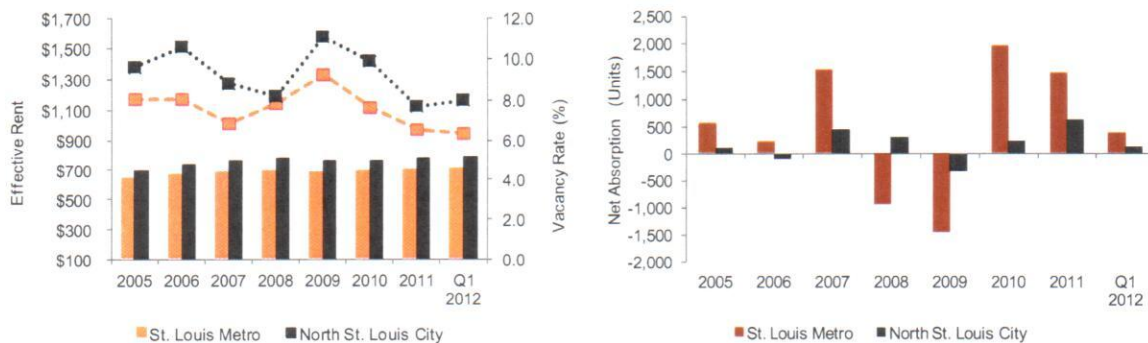
Given the high educational attainment levels and proportion of residents in professional services, the median income in the subarea (\$32,395) is low compared to the Region (\$54,379), although the subarea's per capita income (\$27,572) is comparable to the Region's (\$28,688). The reason for this difference may be due to a higher proportion of students living in the area; almost one-quarter (22.7 percent) of residents living in the subarea were between the ages of 18 to 24.

Real Estate Market Trends

Multifamily Residential Rental

The Central City subarea is located within Reis's North St. Louis City submarket, which includes all of St. Louis City north of Highway 40. The North St. Louis City residential submarket outperformed the metropolitan area market in terms of effective rents every year since 2005, although vacancy rates were generally higher in North St. Louis City compared to the metropolitan market (see graphs below).

Figure 13: Multi-Family Residential, North St. Louis City Submarket and Metropolitan Market, 2005-Q1 2012



Sources: Reis; BAE, 2012.

Housing in the Central City subarea is older and dense. According to ACS data, multi-family buildings comprised 72.0 percent of all residential structures in this subarea. A majority (54 percent) of these buildings were built prior to 1939. In 2010, the Central City subarea also featured a high proportion of renter households (67 percent).

In Q1 2012, Class A apartments in the Central City subarea commanded higher average asking rents (\$1,149) than properties in the North St. Louis City submarket (\$843) and the metropolitan market (\$745). Asking rents ranged from \$717 to \$1,612 per unit. Among the properties surveyed by Reis in Q1 2012, the average year built for Class A apartments in the Central City subarea was 1975, which is older than the average Class A product in Downtown (year built 2002). In Q1 2012, the average vacancy rate in the Central City subarea (3.5 percent) was much lower than vacancy rates in North St. Louis City (8.0 percent), Downtown St. Louis (12.5 percent), and the metropolitan area (6.3 percent).

Demand was also strong for Class B apartments in this TOD subarea. Among the properties surveyed by Reis in Q1 2012, the average year built for Class B apartments was 1941. Average asking rents for Class B apartments (\$780) were higher than average asking rents in the metropolitan area (\$745). Asking rents ranged from \$492 to \$1,230 per unit. The vacancy rate among Class B apartments in this subarea (4.9 percent) was also lower than the vacancy rate in North St. Louis City (8.0 percent) and the metropolitan area (6.3 percent).

A vacancy rate of five percent is generally regarded as a normal market rate. Lower vacancy rates suggest higher demand for units and upward pressures on rents. Vacancy rates among Class B apartments have varied between 3.3 to 6.4 percent between 2007 and 2011, with average asking rents rising steadily over time. The subarea's low vacancy rates (3.5 percent for Class A, and 4.9 percent for Class B apartments in Q1 2012), coupled with rising rents, suggest that the rental housing market is tight, and there is more demand than is currently met by the existing supply.

For Sale Housing

The for-sale housing market in the Central St. Louis City subarea is characterized by high median prices for single family homes and condominiums. Based on sales between May 2011 and June 2012, the median price for single family homes was \$138,250, and \$147,500 for condominiums. In comparison, the median price for homes sold in the St. Louis MSA in Q1 2012 was \$103,700.¹²

Condominiums sold in this subarea between May 2011 and June 2012 exhibited higher average and median sales prices compared to single-family homes sold in this subarea in the same time period. In the last year, the median sale price for condominiums (\$147,500) was 6.7 percent higher than the median sale price for single family homes (\$138,250). In addition, in the same period, the average sale price for a condominium was \$178,703. On a per square foot basis, this translated to \$140 per square foot, which was the second highest among the TOD subareas after the Mid St. Louis County subarea (\$191 per square foot). In fact, the higher condominium prices were generally observed for all housing types by number of bedrooms (see figure below).

Table 5: For Sale Housing, Central St. Louis City Subarea, May 2011- June 2012

	Number of Units Sold				Total
	1 BRs	2 BRs	3 BRs	4+ BRs	
Single-Family Residences					
Median Sale Price	N/A	\$88,750	\$177,500	\$227,500	\$138,250
Average Sale Price	N/A	\$78,476	\$162,615	\$238,693	\$168,539
Average Size (sf)	N/A	1,097	2,085	2,711	2,062
Average Price/sf	N/A	\$72	\$78	\$88	\$82
Condominiums					
Median Sale Price	\$78,375	\$154,900	\$169,000	N/A	\$147,500
Average Sale Price	\$80,038	\$195,266	\$169,000	N/A	\$178,703
Average Size (sf)	672	1,364	1,415	N/A	1,278
Average Price/sf	\$119	\$143	\$119	N/A	\$140

Note:

(a) Consists of sales of single-family residences and condominiums in the 63108, 63110, 63112 ZIP codes. The City Assessor's Office tracked 58 single-family residence sales and 31 condominium sales between June 2011 and May 2012. A longer time period was covered for this geography because sales data for January through June 2012 was limited. Sources: City of St. Louis Assessor's Office; BAE, 2012.

Office

Reis tracks the St. Louis City office submarket, which includes all of St. Louis City excluding the central business district in Downtown. The total square feet of available office space in St. Louis City submarket is small (2.16 million square feet), and in Q1 2012, accounted for only five percent of all

¹² At the time of the writing of this report, Q2 2012 housing sales data was not yet available for the St. Louis MSA. For sale housing data for this subarea was provided by the St. Louis City Assessor's Office, and covers a longer time period compared to sales data for other TOD subareas, because data for January - June 2012 was limited for this geography.

office square footage in the St. Louis metropolitan office market. In Q1 2012, the effective rent for office in the St. Louis City submarket was \$11.57, and the vacancy rate was 14.7 percent.



In Q1 2012, Class A office in the Central City subarea outperformed the average office property in the St. Louis City submarket and the metropolitan market. Among the properties surveyed by Reis in Q1 2012, the average year built for Class A office in the Central City subarea was 1996, and the properties averaged 107,000 square feet. In Q1 2012, the average asking rent for Class A space was \$25.84. This was higher than the average asking rents in the St. Louis City submarket (\$14.98) and the metropolitan area (\$20.42). The Q1 2012 vacancy rate in the Central City subarea for Class A office was also lower (4.4 percent) than the average vacancy rate in the St. Louis City submarket (14.7 percent) and the metropolitan area (17.6 percent).

Class A office in this submarket benefits from proximity to major institutions, like BJC-Washington University Medical Center and Washington University, which support research and development and health care related services. The Central City subarea is also centrally located between two major business districts, Downtown St. Louis and Clayton. Its proximity to Forest Park and the Central West End historic district are added amenities that contribute to higher rental values in this area.

For example, two Class A office properties that are performing well in this market are Highlands Plaza Two and Three, which were built in 2007 and 2009. Both are newer buildings and featured low vacancy rates in Q1 2012 (6.7 percent). Highlands Plaza Two, shown above, is a four-story, 64,000 square foot building that benefits from great freeway visibility along I-64, and was leased to two companies seeking new corporate headquarters. Highlands Plaza Three is a four-story, 42,000 square foot, medical office building leased to a medical company for its new corporate headquarters, and to Barnes-Jewish Hospital, which needed more space for physician offices. This low-rise, office product that caters emerging and local industries presents an opportunity for TOD.

Class B/C office in the Central City subarea is on par with the average office property in the St. Louis City submarket. Among the properties surveyed by Reis in Q1 2012, the average year built for Class B/C office in the Central City subarea was 1937, and the properties were fairly small, averaging 26,000 square feet. In Q1 2012, the average asking rent for Class B/C office space was \$15.94, which was higher than the average asking rent for all properties in the St. Louis City submarket (\$14.98) but lower than the metropolitan area's (\$20.42). Asking rents ranged from \$9.86 to \$21.27 per square foot.

Table 6: Office, Central St. Louis City TOD Subarea, Q1 2012

Office Market Overview								
	Central St. Louis City (Class A)			Central St. Louis City (Class B)			St. Louis City Market (Reis)	Metro Market (Reis)
	Low	High	Average	Low	High	Average	Average	Average
Current Asking Rent	\$14.50	\$29.81	\$25.84	\$9.86	\$21.27	\$15.94	\$14.98	\$20.42
Current Vacancy Rate	0.0%	19.4%	4.4%	0.5%	51.6%	16.9%	14.7%	17.6%
Average Year Built	1960	2009	1996	1900	1983	1937	-	-
Average Size	11,100	165,000	107,462	10,000	66,930	26,137	-	-

Sources: Reis; BAE, 2012.

Retail

The Central City subarea is part of the St. Louis City retail market, which is not tracked by Reis. NAI Desco, a real estate broker that tracks retail activity in St. Louis City, does not publish information on smaller submarkets within the city, so retail data for the Central City subarea is not available. For an overview of St. Louis City’s retail market, please refer to the Downtown subarea retail section.

In general, retail in the Central City subarea is neighborhood retail that caters to the resident population and daytime population of workers. Retail spaces in the historic district of Central West End are fairly small, and consistent with the finding that a majority of retail in St. Louis City is general retail. In addition, neighborhood retail is also found along Delmar Boulevard, east of the Delmar Loop MetroLink station. The character of these commercial districts is more urban and pedestrian-friendly compared to the regional malls and auto-oriented shopping centers in St. Louis County.

Light Industrial/R+D

Demand for warehouse and flex space is weak in the Central City subarea. Reis tracks thirteen properties, or 585,000 square feet, of warehouse space in this subarea, which accounts for a fraction (1.4 percent) of the total warehouse inventory in St. Louis City. Most of the Central City subarea’s warehouse space is located between Highway 40 and I-44, away from the existing light rail stations. In Q1 2012, the average asking rent was \$3.24 per square foot, which was higher than the average asking rent in St. Louis City (\$2.89), but lower than the metropolitan area (\$3.68).

Like the Downtown subarea warehouse market, the Central City subarea warehouse market was characterized by a high vacancy rate, 78 percent, in Q1 2012. In comparison, the vacancy rate was lower in St. Louis City (11.7 percent) and the metropolitan area (14.3 percent), which reveals that the demand for warehouse space is particularly weak in this area. Also, the high vacancy rate may reflect the age of warehouse buildings in this market.

Flex-R&D space in the Central City subarea also suffers from high vacancy rates. Reis tracks a limited number of small properties. In Q1 2012, the average asking rent for flex space was \$4.97 per square foot, lower than the asking rent in St. Louis City (\$6.98) and the metropolitan area (\$6.94). However, the vacancy rate, 63.6 percent, was significantly higher than the average in the city (13.1 percent) and the metropolitan area (20.7 percent). Two new flex-R&D facilities built in the late 1990s both had vacancy rates of 97.5 to 100 percent in Q1 2012, which suggests that demand for flex space is weak in this market.