

# **The St. Louis Economy and Projections**

*St. Louis NABE*

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# St. Louis Economy

St. Louis MSA: Unemployment Rate 6.0%

87,000 Unemployed

Missouri: Unemployment Rate 5.6%

USA: Unemployment Rate 5.2%

St. Louis Peaked in June 2003 6.8% and

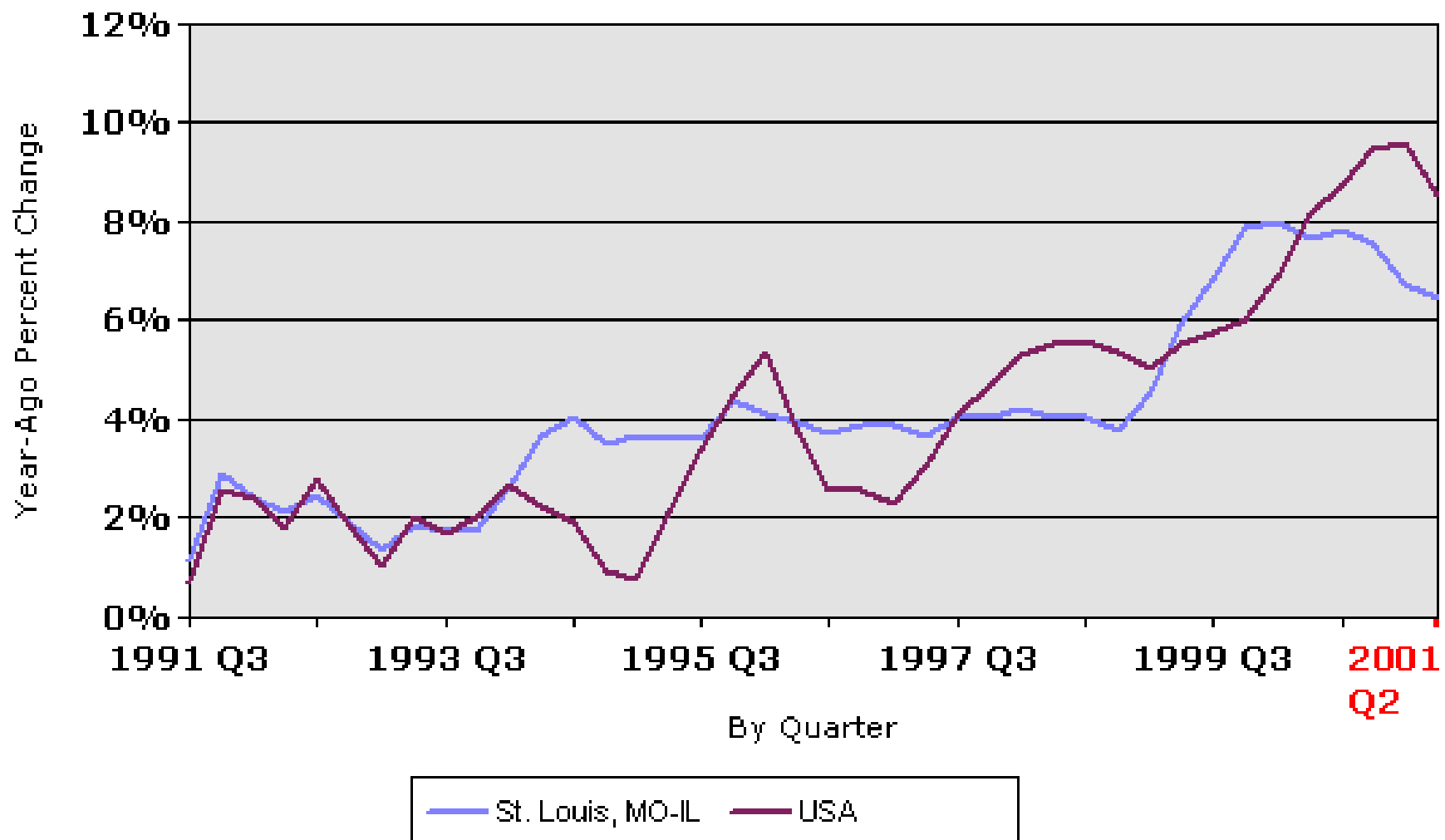
A low of 2.8% in Oct. 1999

# Single Family Construction

- 208 \$52 million April 2005
- 186 \$40 million April 2004
- 121 \$23 million April 2003

## General Home Price Appreciation (Avg. Annual Rate)

	St. Louis, MO-IL	MO	IL	NATION
<b>1 Year</b>	6.5%	6.4%	5.6%	8.6%
<b>3 Years</b>	6.7%	6.2%	5.7%	7.4%
<b>5 Years</b>	5.5%	5.3%	4.7%	6.1%
<b>10 Years</b>	4.3%	4.4%	4.2%	4.3%



MISSOURI	2003 (\$000s)	2004 (\$000s)	% Change
Kansas City	148.2	152.3	2.8
Saint Louis	130.7	136.0	4.1
Springfield	97.9	110.2	12.6

Metro Area	Change House Price 99-04%	Housing Affordability (Low)	Luxory Housing Affordability (High)	Change In Housing 99-04	Housing Investment
St. Louis	22	10 (1)	204 (3)	25	6
Chicago	47	104	151	12	6
Wash. D.C.	97	116	118	-2	8

# Risk Bubble

- US Average – 186 (PMI Risk Index)
  - 18.6 % prob. of an overall house price decline, measured within the next 2 years & across the 50 largest housing markets.
  - St. Louis – 94                      Boston – 533
  - San Jose -530                      San Diego -433
  - NY – 363                      Kansas City –105
  - Housing Prices
- “Underpriced” – Economy.com    126/142
- Due to “oversupply” of housing

# Employment

- Missouri – 2.8 million, +40,000 since mid 2002
- St. Louis 1.37 million, +40,000 since mid 2002  
very “modest growth”.
- 85% in Service related industries
- Less than 100,000 (7%) in manufacturing
- Simon Center predicts both Missouri and St. Louis employment over next year to rise 5-6%
- Other economic activity – sales and income will match this increase