Where We Live

St. Louis County has the largest housing stock within the metropolitan area with an estimated 437,293 housing units. Collectively, the housing stock is old, predominately single-family, owner occupied, and relatively high in median value. However, the spatial distribution of these housing characteristics reflects the full spectrum of St. Louis County’s development, including pre-1940 communities to post-World War II “inner-ring” suburbs, to “modern” subdivisions and in-fill redevelopment. The diversity of the housing stock presents a variety of opportunities and challenges for St. Louis County with regard to issues of affordability, neighborhood stability, recovery from the Great Recession, and the potential shift in housing choices by a changing population.

Suburban Development

Most of St. Louis County’s housing was built during the start of the suburban era that began in the mid-1940s with the end of World War II. More than half (59 percent) of St. Louis County’s estimated 437,293 housing units were built before 1970, with the largest component of St. Louis County’s housing stock constructed in the 1950s and 1960s.

Housing development continued to thrive in St. Louis County in the 1970s and 1980s, but with a larger proportion of multi-family units being built than in previous decades. During the 1990s, housing development proceeded at a relatively steady rate, though annual housing construction was much less than it was in the late 1980s due to a decrease in the amount of easily developed land.

In the 2000s, housing development continued to decrease; only 5 percent of St. Louis County’s housing units have been built since 2000. As St. Louis County ran out of land to develop in the 1990s and 2000s, St. Charles County, Missouri became the center for new construction, 

source: St. Louis County Department of Revenue

This policy brief is one of a series produced by the St. Louis County Department of Planning as part of the 2012 Strategic Plan. This brief summarizes current research, data, and trends and is intended to provoke questions and promote strategic thinking on relevant policy and service delivery.
followed by St. Clair, Madison and Monroe counties in Illinois. However, St. Louis County continues to have the largest housing stock within the metropolitan area.

There is a pattern of outward development in St. Louis County. The oldest housing stock is located in the inner-ring communities adjacent to the City of St. Louis, while recent large-scale home building has taken place at the edges of St. Louis County, in communities like Oakville in South County, Wildwood in West County, and Old Jamestown in North County.
Single-family detached homes make up 72 percent of the total housing stock in St. Louis County. The proportion of single-family versus multi-family housing units has remained about the same in St. Louis County since the 1980s.

**High Housing Values**

St. Louis County enjoys some of the highest housing values in the metropolitan area. In 2010, the median home value in St. Louis County was $179,300 compared to $159,800 in the St. Louis metropolitan area. Approximately 28 percent of the residential property in St. Louis County is appraised between $200,000 and $499,999; an additional 5 percent of residential property is appraised at $500,000 and above. Conversely, 29 percent of residential property is appraised below $100,000.

Source: St. Louis County Department of Revenue
Homes with the highest values in St. Louis County are primarily located in the central corridor extending westward through the center of St. Louis County from the City of Clayton to the City of Wildwood. Generally, less expensive, smaller homes are concentrated in the older, inner-ring communities adjacent to the City of St. Louis boundary and inside the Lindbergh Blvd. / U.S. Highway 67 corridor. In North and South County, areas with lower housing values tend to correspond to areas of older housing. In St. Louis County’s central corridor, however, areas with older housing are among those with the highest values.

Smaller, older homes are defined as those homes with 1,200 square feet or less space and built before 1960. Of St. Louis County’s 314,213 single-family, detached homes, 82,627 (26 percent) are smaller, older homes. These homes are concentrated in the inner-ring communities adjacent to the City of St. Louis boundary, particularly in North County. Smaller, older homes north of I-64 and in the unincorporated community of Lemay generally have lower housing values. Although these homes may not have the amenities of newer housing, they provide affordable housing to smaller, less affluent households. The smaller, older homes in the central corridor tend to reflect the higher values of surrounding homes in the area.
High Homeownership

Homeownership rates continue to be very high in St. Louis County, although the homeownership rate decreased slightly over the decade. In 2010, 72 percent of occupied housing units were owner occupied, down from 74 percent in the previous decade. This percentage was higher than the St. Louis metropolitan area (71 percent), Missouri (69 percent) and United States (65 percent). The vacancy rate in St. Louis County rose slightly between 2000 and 2010, to 7.6 percent. Vacancies among rental units were considerably higher than those among homeowner units (10 percent and 2.3 percent, respectively), which is typical.

Housing Sales

Nationally, the housing market has been a weak segment of the economy during the last five years, with a great degree of variability on a market-by-market basis. Housing sales activity and values began showing signs of improvement in the first quarter of 2012 compared to the same period in 2011. Nationally, analysts believe that home values reached their bottom in February of 2012 and have since been slowly rising through the second quarter of the year. Analysts are still cautious about the housing market’s recovery in 2012.

In St. Louis County, median sales prices have dropped dramatically as a result of the housing boom and bust. June of 2007 marked the peak of housing values in St. Louis County when the median sales price of a home was $177,450. In June of 2012, the median sales price of a home was $154,875, a decrease of about 13%. Sales activity and prices have been improving over the last year in St. Louis County. In the first half of 2012, there were 6,356 housing sales compared to 5,861 during the same period in 2011, an increase of about 8%. Median housing values are also higher than they were a year ago: $154,875 in June of 2012 compared to $133,250 in June of 2011.

Foreclosure Rates

Increased levels of foreclosure have occurred nationwide, including in St. Louis County. In 1998, there were 1,171 foreclosures in St. Louis County. Between 1998 and 2004, St. Louis County averaged 1,739 foreclosures annually. The foreclosure crisis in St. Louis County peaked
in 2010 with 4,540 foreclosures. Although foreclosures declined by 14.8 percent between 2010 and 2011, most analysts believe this was due to a freeze on foreclosures while banks addressed court cases alleging mishandling of foreclosure documents, so-called “robo-signing”. Now that those issues have been addressed, the foreclosure process has been unfrozen, resulting in an increase in foreclosures across the country. In St. Louis County, foreclosures are up 6.9 percent in the first quarter of 2012 compared to the first quarter of 2011 (1,043 in 2012 compared to 975 in 2011).

Foreclosures are concentrated in North County and Lemay. This concentration began appearing in 2006 and 2007 as a result of subprime lending, and then spiraled as the economic downturn continued. Neighborhood decline can be triggered by foreclosures concentrated in an area, especially when vacancies are persistent and the resale market is weakened.
Implications for the Future of Housing in St. Louis County

Weathering the Great Recession

Nationally, housing prices are 30 percent lower on average than they were at the peak of the market in 2006. In the St. Louis metropolitan area, prices have declined by 19 percent. Further, it is estimated that nearly one in four residential mortgages are now underwater. Americans are making new housing decisions as a result of this uncertainty. For example, existing homeowners may be less likely to sell and/or may cut back on housing repairs and maintenance. Young adults may be less able to afford the down payments necessary to buy their own homes and, as a result, may feel a greater need to stay home (or return home). Households who have lost their homes may not have the credit scores or savings for down payments to buy new homes, while other households may simply see homeownership as too risky in the wake of the downturn.

The diversity of the housing stock presents a variety of opportunities and challenges for St. Louis County with regard to issues of affordability, neighborhood stability, recovery from the Great Recession, and the potential shift in housing choices by a changing population.

Diversity of Housing Stock and Future Demand

St. Louis County continues to have the largest housing stock within the metropolitan area. In St. Louis County, a single-family detached home is the predominate choice for homeownership. Data from U.S. Department of Housing and Urban Development and the Census Bureau suggests that there are considerable differences in housing preferences and tendencies among household types. These differences are often associated with marital status and having children. For instance, married couples often care about the appearance of a neighborhood, views, and yard and home size. Families with children are concerned about the quality and proximity of schools. Single-parents seem to care most about being close to family and friends. Married couples also prefer homes that are larger than the area average, and more often than not, single-family detached – tendencies that are even stronger if the married couple has children. St. Louis County is well stocked with housing choices for these types of households.

However, as the Baby Boom generation ages, it’s anticipated that many may no longer want to live in a large, single-family detached home in the suburbs. Boomers who move are likely to choose to “downsize” to either a smaller single-family home or to a multi-family unit (condominium, townhouse, villa, or apartment), which may or may not be located in the suburbs. In addition, today’s young adults, known as the Millennial generation, are creating a strong and growing demand for living in urban places. Location in neighborhoods with convenient amenities, rather than type of housing seems to be a higher priority for this generation. This shift in attitude could mean there may be fewer replacement households looking for large, single-family detached homes in the suburbs and an insufficient supply of alternative housing choices.
**Future of Residential Development**

While a single-family detached home is still the most popular housing choice in St. Louis County, different types of housing and housing locations are needed to serve different segments of the population. There is an increasing need to provide an appropriate mix of housing, including single-family detached, single-family attached, and different types of multi-family housing in St. Louis County. In order to meet this need, St. Louis County must see that its existing housing stock is maintained while also looking for opportunities for new residential development. Few opportunities exist for large-scale new residential development in St. Louis County on large tracts of vacant ground; therefore, the retrofitting of existing housing, development of in-fill housing on smaller vacant lots in existing residential areas, and construction of residential units as part of redevelopment projects are more viable options for consideration.

**Sources**

