



MULTIFAMILY REPORT

Sacramento Rents Steady

July 2022

Average Rates Close to \$2K Mark

Population Expansion Surpasses US

Employment Recovery Outpaces Nation

SACRAMENTO MULTIFAMILY



Sacramento Finds More Manageable Pace

Sacramento's multifamily market has led the nation through long intervals of the market cycle, but California's high cost of living and pandemic-driven woes have curbed growth of late. The metro's rent performance was slightly below the national pace as of May, at 0.8% on a trailing three-month basis. Meanwhile, the average rate, which started the decade well below the U.S. figure, reached \$1,936, \$256 above the national benchmark. The average occupancy rate in stabilized assets remained high, at 96.7%, despite a 60-basis-point slide year-over-year.

The California capital's employment market is faring well, as 56,000 jobs were added in the 12 months ending in March, up 5.0%, topping the national average by 30 basis points. The leisure and hospitality sector, by far the hardest hit by pandemic fallout, saw the most significant gains as 17,600 jobs were recovered. Sacramento's state capital status means that its main economic driver is still the public sector, accounting for just under a quarter of total employment. Sacramento's Railyards infill development district has seen changes, most notably to its proposed MLS stadium endeavor, but it is still underway with major projects.

Sacramento's rental sector saw just under \$500 million in sales activity through the year's first five months, with assets in the Renter-by-Necessity segment driving activity. Though notoriously slow to add inventory, the metro had 8,744 units underway.

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Recent Sacramento Transactions

The Core Natomas



City: Sacramento, Calif.
Buyer: The Shidler Group
Purchase Price: \$103 MM
Price per Unit: \$343,583

Vue at the Lake



City: Sacramento, Calif.
Buyer: Prime Group
Purchase Price: \$68 MM
Price per Unit: \$341,250

Aspire Arden



City: Sacramento, Calif.
Buyer: Clear Capital
Purchase Price: \$64 MM
Price per Unit: \$254,000

The Archer



City: Sacramento, Calif.
Buyer: Bridge Investment Group
Purchase Price: \$60 MM
Price per Unit: \$248,958