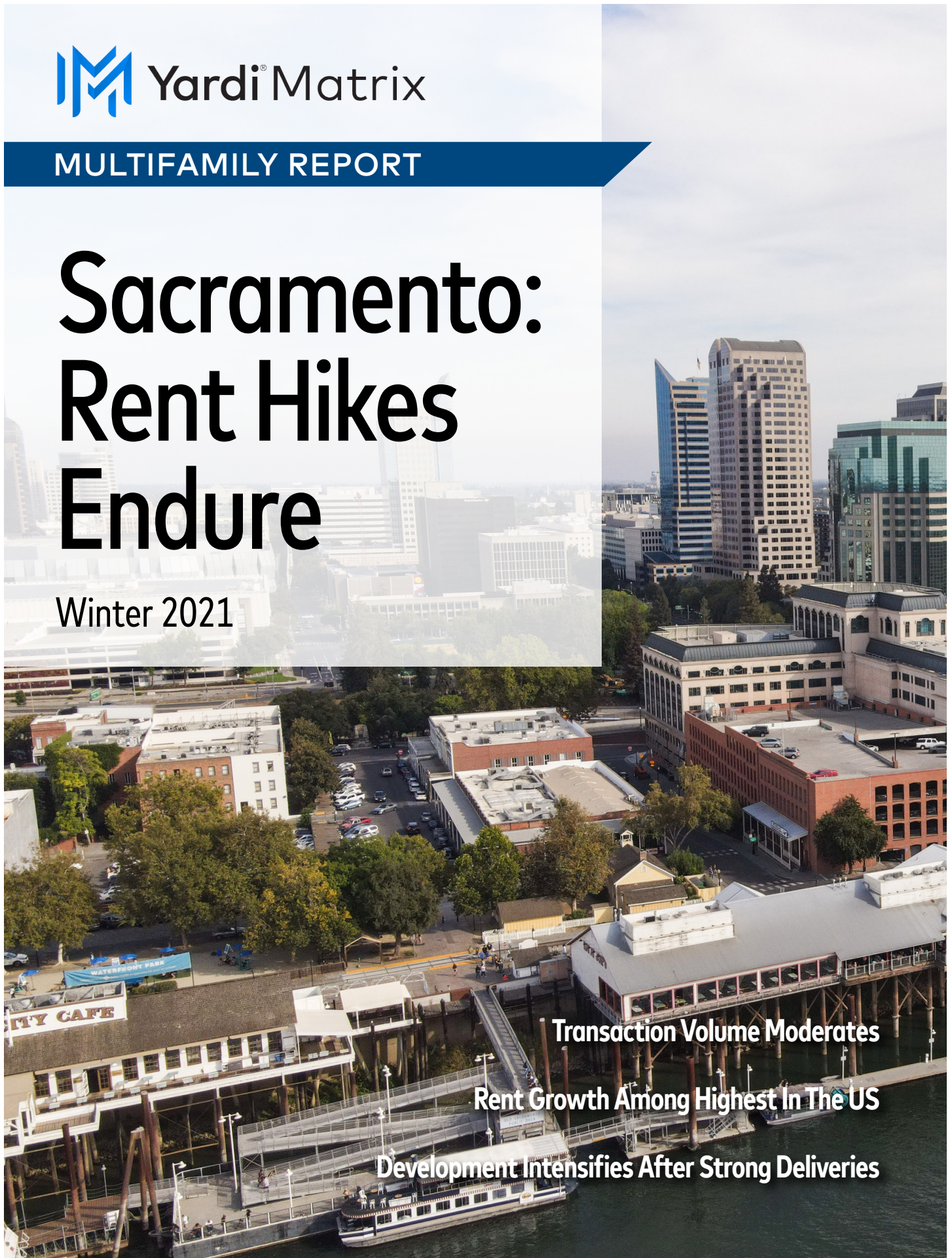




MULTIFAMILY REPORT

Sacramento: Rent Hikes Endure

Winter 2021



Transaction Volume Moderates

Rent Growth Among Highest In The US

Development Intensifies After Strong Deliveries

SACRAMENTO MULTIFAMILY



Strong Migration Aids Multifamily Market

Sacramento's multifamily market registered remarkable gains during the pandemic, with demand boosted by strong in-migration. The average rent rose 0.5% on a trailing three-month basis through January to \$1,634, while the national rate stayed flat at \$1,392. The metro's notoriously limited housing supply kept the occupancy rate in stabilized properties high, up 100 points year-over-year through December, to 96.8%.

The unemployment rate dropped to 6.7% in November, but December preliminary data pointed to 7.9%. The increase was correlated to a new spike in infections, that prompted Gov. Gavin Newsom to enforce a new set of restrictions. Employment growth in the 12 months ending in November marked a 7.9% contraction of the workforce, 70 basis points below the national rate. Financial activities—the only sector that gained jobs—expanded by 3.8% during the period. Newsom proposed the Equitable Recovery for California's Business and Jobs budget plan, a \$4.5 billion package that would aid the state's recovery.

2020 marked the best year in stock expansion, with 2,026 units delivered, and in January, 4,701 units were under construction. Meanwhile, \$918 million in multifamily assets traded for a price per unit that rose 27.4% to \$229,841.

Market Analysis | Winter 2021

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Recent Sacramento Transactions

Ascent at the Galleria



City: Roseville, Calif.
Buyer: Davlyn Investments
Purchase Price: \$95 MM
Price per Unit: \$347,985

Larkspur Woods Condos



City: Sacramento, Calif.
Buyer: Sequoia Equities
Purchase Price: \$71 MM
Price per Unit: \$306,034

Avion



City: Rancho Cordova, Calif.
Buyer: Jackson Square Properties
Purchase Price: \$55 MM
Price per Unit: \$262,019

Vista Torre



City: Carmichael, Calif.
Buyer: Realty Center Management
Purchase Price: \$23 MM
Price per Unit: \$284,063