



MULTIFAMILY REPORT

Sacramento: Holding Steady

Fall 2021

YoY Rent Growth in Double Digits

Investors Drawn to Value-Add Plays

Development Continues, Deliveries Dip

SACRAMENTO MULTIFAMILY



Limited Inventory Pressures Occupancy

Sacramento's multifamily fundamentals paint the image of a healthy market, despite the ongoing crisis. Rents posted a 1.4% increase on a trailing three-month basis through October, while on an annual basis, rate performance improved 15.4%, to an overall average of \$1,882. Moreover, the occupancy rate in stabilized properties was higher than it has ever been, clocking in at 97.3% in September.

Sacramento maintained a steady recovery in 2021, with the unemployment rate improving to 5.5% in September, according to the Bureau of Labor Statistics. The rate was behind the 4.6% U.S. average, but ahead of the 7.5% state figure. The job market posted a 3.8% increase in the 12 months ending in August, and although it was behind the 4.6% U.S. average, it marked the third-consecutive month of expansion. During the period, 41,300 jobs were added in Sacramento, nearly half of which were in the leisure and hospitality (11,500 jobs) and construction (8,600) sectors.

Development remained elevated, but deliveries softened: Through October, just 614 units were added to the existing stock and another 8,778 were underway. Investors traded \$753 million in multifamily assets during the period, but their focus on working-class properties pushed the annual per-unit price down by 33.6% to \$204,174.

Market Analysis | Fall 2021

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Recent Sacramento Transactions

Autumn Ridge



City: Citrus Heights, Calif.
Buyer: Kennedy Wilson
Purchase Price: \$120 MM
Price per Unit: \$292,683

Harvest at Fiddymment Ranch



City: Roseville, Calif.
Buyer: Bridge Partners
Purchase Price: \$111 MM
Price per Unit: \$371,152

Continental Terrace



City: Sacramento, Calif.
Buyer: Positive Investments
Purchase Price: \$47 MM
Price per Unit: \$332,746

Park Knoll



City: Rancho Cordova, Calif.
Buyer: Trinity Property Consultants
Purchase Price: \$25 MM
Price per Unit: \$156,250