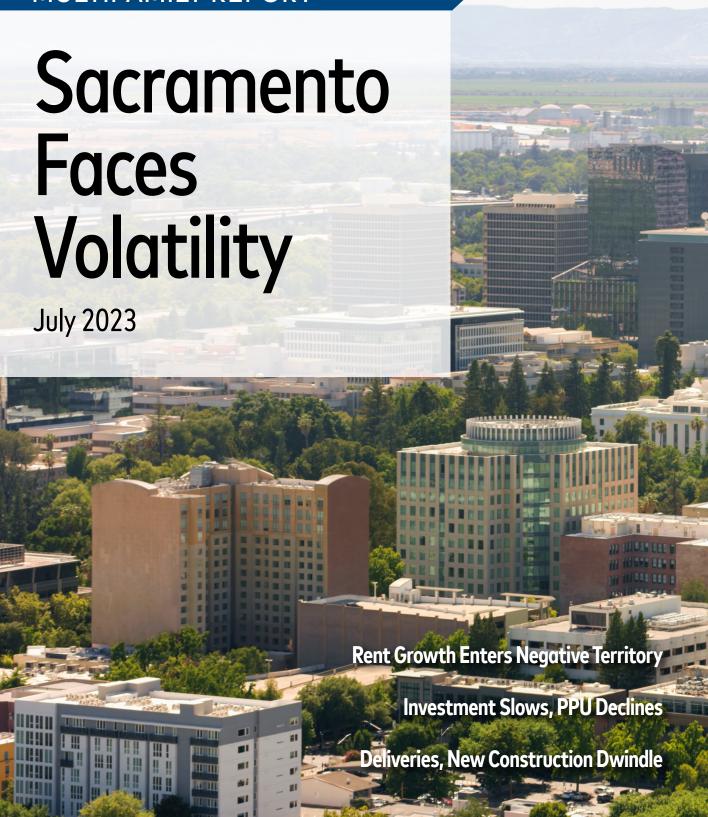


**MULTIFAMILY REPORT** 



### **SACRAMENTO MULTIFAMILY**



# Rent Gains Shrink, Development Stalls

Sacramento's multifamily industry has yet to fully recover from the economic volatility that has shadowed the nation for the past year. Rent growth fell into negative territory yet again, down 0.1% on a trailing three-month basis through May, to \$1,905. On a year-over-year basis, the average asking rent contracted 0.4%, while the U.S. rate was up 2.6%, to \$1,716. The metro's occupancy rate in stabilized properties also decreased, down 150 basis points in the 12 months ending in April, to 94.9%.

Unemployment dipped below the 4.0% mark for the first time this year, in April, clocking in at 3.8%, trailing the U.S. rate but ahead of the 4.5% state figure. Across all major California markets, Sacramento only outperformed Los Angeles (4.2%). Employment expanded 2.9%, or 21,800 jobs, in the 12 months ending in March, trailing the 3.1% national rate. Furthermore, three sectors lost 7,900 jobs combined. Job growth was led by education and health services (10,800 jobs), which accounted for about half of the positions gained. With several health-care developments underway, the sector is poised for an additional boost.

Development remained tepid, with 445 units coming online in 2023 through May and 330 units breaking ground during this time, bringing the pipeline to 7,621 units under construction. Investment also plummeted. Confirmed sales amounted to just \$73 million, for a price per unit that decreased 38.4% since last year.

### Market Analysis | July 2023

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## Recent Sacramento Transactions

Courtyard at Artisan Square



City: Sacramento, Calif. Buyer: Trion Properties Purchase Price: \$24 MM Price per Unit: \$226,923

#### El Macero Village



City: Davis, Calif. Buyer: Bridge Partners Purchase Price: \$23 MM Price per Unit: \$216,962