

**YARDI**® Matrix

# Sacramento: Golden Growth

Multifamily Fall Report 2015

**Double-Digit  
Rent Increases**

**Tourism, Trade  
Lift Economy**

**Investors Flock  
to Buy Assets**



# SACRAMENTO MULTIFAMILY

**YARDI**® Matrix

## Market Analysis

Fall 2015

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## Sacramento: Golden Opportunity

Increasing demand and low supply have triggered a spell of accelerated multifamily rent increases in Sacramento. The normally staid market is benefiting from the boom in the Pacific Northwest and San Francisco.

As the Golden State capital, Sacramento relies heavily on government jobs. What's more, its location in one of the nation's most fertile regions has led to a historic reliance on agriculture. However, the metro's main economic drivers are diversifying, exemplified by the recent surge in hospitality jobs and the improvement in the level of amenities in the city's core. One example of public-private cooperation is the city's effort to keep the National Basketball Association Kings franchise from moving, which resulted in plans to develop the \$500 million state-of-the-art Golden 1 Center. The goal is to make the arena and Downtown Commons a centerpiece of commercial development in the urban core. The city also recently opened a new intermodal transit hub.

With per-unit prices soaring over the past 12 months, it is clear investors see plenty of opportunities in Sacramento. Through October, the metro had already recorded a 9.6% rent increase year-to-date, exceeding Yardi Matrix's forecast for 2015. Although supply growth is low today, developers will expand the housing stock in coming years, reducing rent increases to more sustainable levels.

## Recent Sacramento Transactions

Summertime



City: Sacramento  
Buyer: Cameron Lee  
Purchase Price: \$16 MM  
Price per Unit: \$99,706

The Crest at Fair Oaks



City: Fair Oaks, Calif.  
Buyer: Robert E. Cota Realty  
Purchase Price: \$14 MM  
Price per Unit: \$177,632

Groves at Manzanita



City: Carmichael, Calif.  
Buyer: Preservation Partners  
Purchase Price: \$9 MM  
Price per Unit: \$98,029

Summit at Fair Oaks



City: Fair Oaks, Calif.  
Buyer: Preservation Partners  
Purchase Price: \$7 MM  
Price per Unit: \$95,714