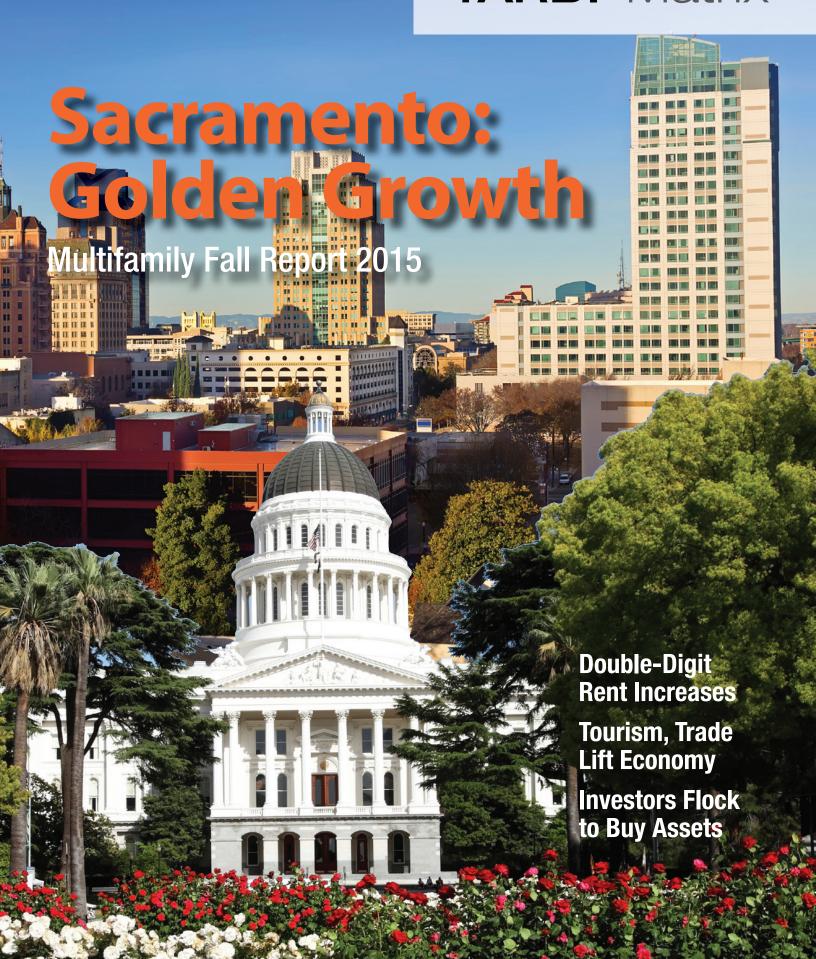
YARDI[®] Matrix



SACRAMENTO MULTIFAMILY

YARDI[®] Matrix

Market Analysis

Fall 2015

Contacts

Paul Fiorilla

Associate Director of Research Paul.Fiorilla@Yardi.com (800) 866-1124 x5764

Dana Seeley

Senior Research Analyst Dana.Seeley@Yardi.com (800) 866-1124 x2035

Jack Kern

Director of Research and Publications Jack.Kern@Yardi.com (800) 866-1124 x2444

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

Groves at Manzaanita



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

The Crest at Fair Oaks



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

Summit at Fair Oaks



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