



## MULTIFAMILY REPORT

# Rents Stall In Sacramento

December 2023

**Deliveries Reach Annual Record**

**Investment Volume Down**

**T3 Rates At Standstill**



# SACRAMENTO MULTIFAMILY



## Record Supply, Rate Growth Flat

Sacramento's multifamily fundamentals posted mixed results at the start of the fourth quarter. Rent growth remained flat for the third consecutive month in October, despite record supply expansion. At \$1,916, the metro's average rate remained above the \$1,718 U.S. figure. The occupancy rate in stabilized properties fell 70 basis points to 94.7% in the 12 months ending in September, solely due to a drop in the Renter-by-Necessity segment.

The jobless rate in California's capital stood at 4.3% in September, according to the Bureau of Labor Statistics, trailing the U.S. (3.8%) but surpassing the state (4.7%) and Los Angeles (5.3%). The job market expanded 2.5% year-over-year as of August, on par with the national average. During the period, three sectors lost jobs—financial activities, information and manufacturing—for a total of 1,900 jobs combined. Meanwhile, half of the 25,700 new positions were added to Sacramento's second largest economic driver, education and health services. Supporting the sector's growth, California Northstate University's plans for a new medical campus at the site of the Sleep Train Arena were approved.

Deliveries through October marked a new annual record, expanding the stock by 2,200 units, with another 42,500 units under construction. Heavily impacted by the financing landscape, investment volume totaled just \$119 million through October, for a price per unit that declined 24.8% year-over-year, to \$206,188.

## Market Analysis | December 2023

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### Recent Sacramento Transactions

#### Hellenic Seniors



City: Sacramento, Calif.  
Buyer: Dawson Holdings  
Purchase Price: \$28 MM  
Price per Unit: \$400,000

#### 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

#### Rosemont Terrace



City: Sacramento, Calif.  
Buyer: Redwood Property Investors  
Purchase Price: \$18 MM  
Price per Unit: \$179,000