



MULTIFAMILY REPORT

Sacramento Under Pressure

July 2025

An aerial photograph of Sacramento, California, showing a mix of urban development and green spaces. The California State Capitol building is visible in the background, surrounded by other high-rise buildings and parking lots. The foreground shows a wide street with a red-paved bike lane and green-paved pedestrian areas. The sky is overcast with grey clouds.

Investment Activity Picks Up
Employment Expansion Softens
Construction Starts Down

SACRAMENTO MULTIFAMILY



Supply Growth Slows, Occupancy Stabilizes

Sacramento average advertised asking rents were down 0.1%, on a T3 basis as of May, to \$1,947, lagging the national figure by 40 basis points. This marked a 10-basis-point improvement from the previous month. The average overall occupancy rate in stabilized properties was down 10 basis points year-over-year, to 94.9% as of April, but remained above the 94.4% national figure.

Employment in Sacramento continued to soften, at 0.9% year-over-year through March, on par with the U.S. figure. With performance spotty across sectors, education and health services led growth, with 9,900 positions added to the workforce. The area's unemployment rate stood at 4.4% as of April. The figure was 20 basis points above the U.S. rate, according to preliminary data from the Bureau of Labor Statistics. Sacramento's economy could get a boost from the development of the 12,000-seat Republic FC soccer stadium. A financing plan has been approved for the \$321 million project, which is set to break ground this year, with completion slated for 2027.

Developers delivered 1,149 units through May, representing 0.8% of stock and below the 1.0% national rate. Although no new construction starts were recorded in the first five months of 2025, 7,108 units were under construction in May. A total of \$371 million in assets traded year-to-date through May, some \$92 million short of 2024's entire volume, signaling an uptick in activity.

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Recent Sacramento Transactions

Monticello at Southport Residences



City: West Sacramento, Calif.
Buyer: Greystar
Purchase Price: \$51 MM
Price per Unit: \$246,154

850 on the Avenue



City: West Sacramento, Calif.
Buyer: Greystar
Purchase Price: \$43 MM
Price per Unit: \$222,917

Auburn Palms



City: Auburn, Calif.
Buyer: Redwood Housing Partners
Purchase Price: \$10 MM
Price per Unit: \$200,000

Hudson Bay



City: Galt, Calif.
Buyer: Pro Residential
Purchase Price: \$7 MM
Price per Unit: \$91,000