



MULTIFAMILY REPORT

Sacramento's Balanced Start

March 2026



Affordable Housing Leads Construction

Investment Volume Rebounds

Rents Contract

SACRAMENTO MULTIFAMILY



Rents Contract, Occupancy Holds Firm

Sacramento entered 2026 with mixed multifamily fundamentals, as a supply wave continued to pressure rents even as occupancy held firm. Average advertised asking rents fell 0.8% year-over-year, to \$1,946 in January, while the U.S. rate rose 0.2%. The metro's occupancy rate for stabilized assets ticked up 10 basis points year-over-year, to 95.2% in December, above the 94.5% U.S. average.

Employment growth decelerated to 0.5% year-over-year through September, trailing the U.S. rate of 0.8%. Unemployment closed the year at 4.8%, outperforming the state (5.1%) but lagging the U.S. (4.4%), according to preliminary data from the Bureau of Labor Statistics. The metro added 700 net jobs in the 12 months ending in September, with gains led by education and health services (11,600 jobs), while professional and business services (-6,700) and mining, logging and construction (-3,500) posted the steepest losses. On the development front, Aggie Square's early traction and the Railyards redevelopment are notable drivers supporting downtown and the innovation economy.

In 2025, developers delivered 5,344 units, which marked a new peak in Sacramento and, as of January, the construction pipeline had 5,040 units underway, 1,986 of which broke ground in 2025. With investment activity rebounding, multifamily sales topped \$985 million in 2025, and the average price per unit rose 28.8% year-over-year, to \$230,713 in December.

Market Analysis | March 2026

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Recent Sacramento Transactions

LINQ Midtown



City: Sacramento, Calif.
Buyer: Demmon Partners
Purchase Price: \$106 MM
Price per Unit: \$385,455

The Falls at Arden



City: Sacramento, Calif.
Buyer: Jackson Square Properties
Purchase Price: \$55 MM
Price per Unit: \$200,735

Sonterra



City: Roseville, Calif.
Buyer: ConAm
Purchase Price: \$40 MM
Price per Unit: \$294,118

The Phoenician

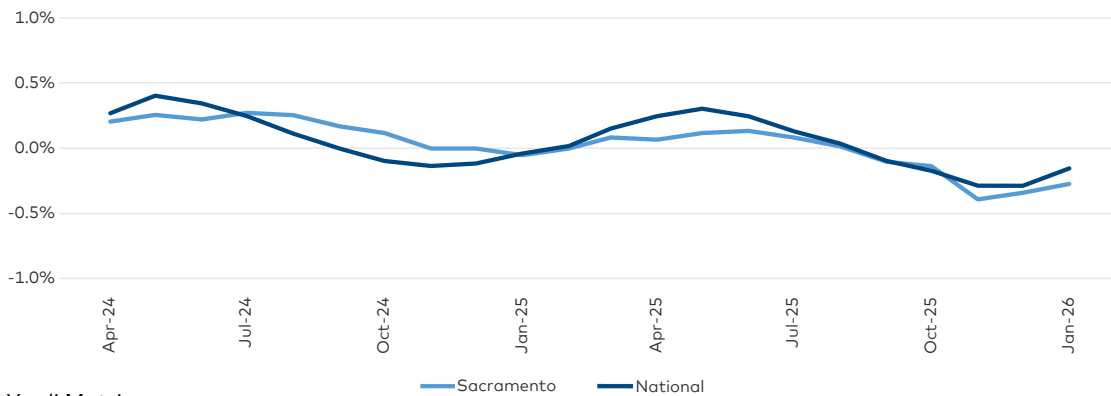


City: Roseville, Calif.
Buyer: Brar Ventures
Purchase Price: \$34 MM
Price per Unit: \$213,836

RENT TRENDS

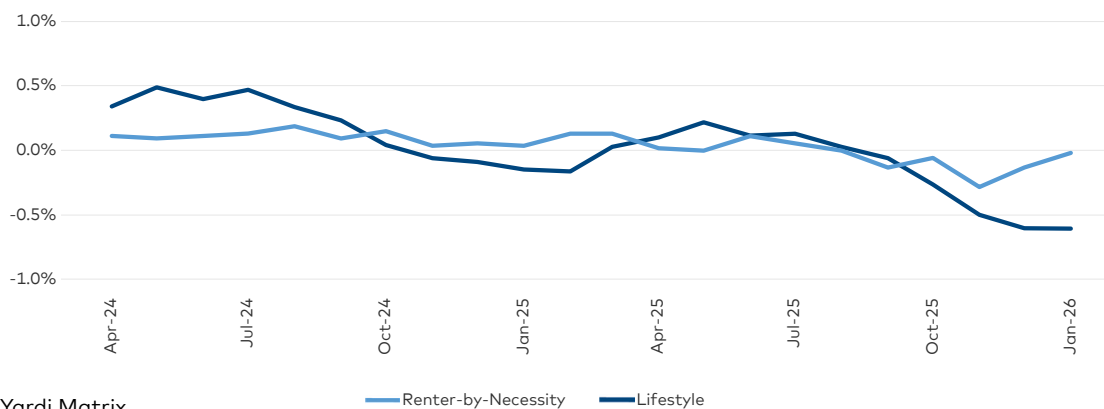
- ▶ Sacramento's advertised asking rents fell 0.3%, on a trailing three-month (T3) basis through January, to \$1,946, just below the U.S. rate, which was down 0.2%, to \$1,741. The strong influx of supply subdued rent performance in California's capital, with rates down 0.8% year-over-year through January, while the national average inched up 0.2%.
- ▶ Advertised asking rents for the working-class, Renter-by-Necessity segment recovered after four months of contractions and were flat on a T3 basis through January, to an average of \$1,773. Although both segments recorded downticks. Lifestyle saw a steeper drop, with the rate down 0.6% for the second consecutive month, to an average of \$2,233.
- ▶ The occupancy rate in stabilized properties was healthy, at 95.2% in December, up 10 basis points year-over-year and above the 94.5% U.S. average. Occupancy for the Lifestyle segment ticked up 20 basis points, to 95.5%, while RBN was up just 10 basis points, to 95.0%.
- ▶ Year-over-year rent growth was spotty, registered in only 19 of the 48 submarkets tracked by Yardi Matrix. The strongest gains were recorded in Bellview/Howe Edison (5.0% to \$1,710), North Rancho Cordova (4.3% to \$1,725) and Outlying Placer County (3.9% to \$2,328). The latter also reported the second highest volume of units underway as of January. Meanwhile, Greater Davis and Central Davis remained the priciest submarkets, and both registered rent declines, down 3.7% to \$2,656, and 3.6% to \$2,381, respectively.

Sacramento vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Sacramento Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- Sacramento's employment growth decelerated for the fourth consecutive month, to 0.5% year-over-year through September, trailing the 0.8% U.S. rate.
- Unemployment closed the year at 4.8%, down 30 basis points year-over-year, according to preliminary data from the BLS. Sacramento outperformed the state (5.1%), but lagged the U.S. (4.4%) and most other major California markets.
- The metro added 700 net jobs in the 12 months ending September, with gains sustained by three sectors—education and health services (11,600 jobs), leisure and hospitality (3,400) and other services (100). The other seven sectors lost jobs, with the steepest losses seen in professional and business services (-6,700) and mining, logging and construction (-3,500).
- In less than a year, Aggie Square has established itself as a premier innovation district, hosting more than 400 events and attracting 13,500 visitors, driving momentum with a growing tenant roster. The Railyards redevelopment broke ground last August. Supported by an estimated \$325 million in upfront private investment, the project features a 12,000-seat soccer stadium and the rehabilitation of the Central Shops, which are both intended to bolster the downtown event and street-retail ecosystem. The initial phases are slated for completion by 2027.

Sacramento Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	211	19.4%
70	Leisure and Hospitality	113.6	10.4%
80	Other Services	39.5	3.6%
50	Information	8.8	0.8%
55	Financial Activities	45.7	4.2%
30	Manufacturing	40.1	3.7%
40	Trade, Transportation and Utilities	165.2	15.2%
90	Government	259.9	23.9%
15	Mining, Logging and Construction	74.9	6.9%
60	Professional and Business Services	128.6	11.8%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Sacramento gained nearly 79,000 residents between 2019 and 2022, up 3.4% and well ahead of the 2.0% national rate.
- Population growth moderated to 1.6% between 2022 and 2024, trailing the 1.8% U.S. rate, according to U.S. Census estimates.

Sacramento vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Sacramento Metro	2,315,980	2,338,866	2,379,368	2,394,673

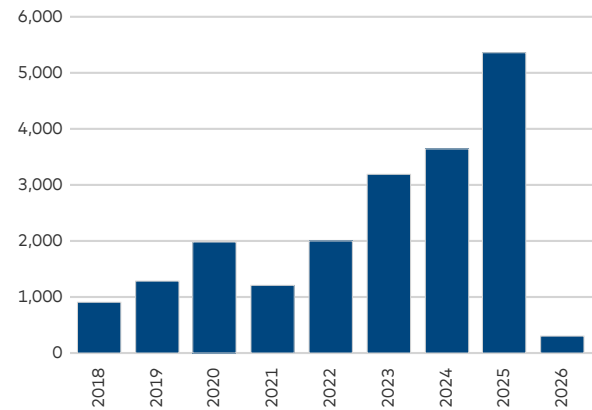
Source: U.S. Census

SUPPLY

- Sacramento deliveries reached a new peak in 2025, at 5,344 units or 3.7% of existing stock, surpassing the national rate for the first time this decade. Completions intensified in recent years, with nearly three-quarters of the 19,800 units added since 2018 delivered over the last four years. As of January 2026, one 303-unit Lifestyle property came online in Natomas.
- The construction pipeline remained healthy, with 5,040 units underway as of January and more than 39,000 in the planning and permitting phases. The under-construction pipeline comprised no RBN projects; only fully affordable (62.2%) and Lifestyle (37.8%) projects were underway.
- While only one 82-unit project broke ground in January, new construction was robust over the past two years, each with 12 new properties, totaling 1,986 units in 2025 and 2,100 units in 2024.
- Activity was clustered primarily in core submarkets and northwest of the Dwight Eisenhower Highway. Active development was recorded in only 14 of the 48 submarkets tracked by Yardi Matrix. Rocklin/Roseville led with 1,040 units underway, followed by Outlying Placer County (950) and Laguna West (592).

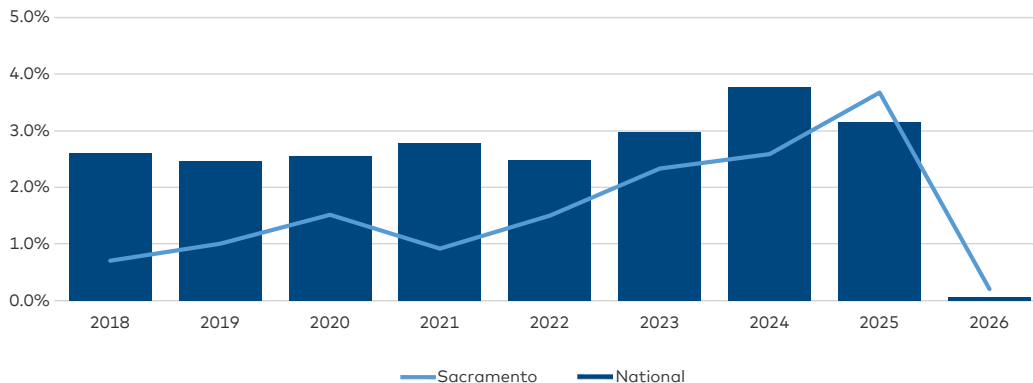
- The first project delivered in 2026 is owned by Hines Interests and was built in an Opportunity Zone with aid from a \$54 million construction loan issued by Bank OZK. Meanwhile, the largest project underway as of January was a 397-unit Lifestyle property in Rocklin/Roseville owned by Advanced Building Solutions. The development received a \$60 million construction loan originated by Fifth Third Bank and is slated for completion by the end of the year.

Sacramento Completions (as of January 2026)



Source: Yardi Matrix

Sacramento vs. National Completions as a Percentage of Total Stock (as of January 2026)

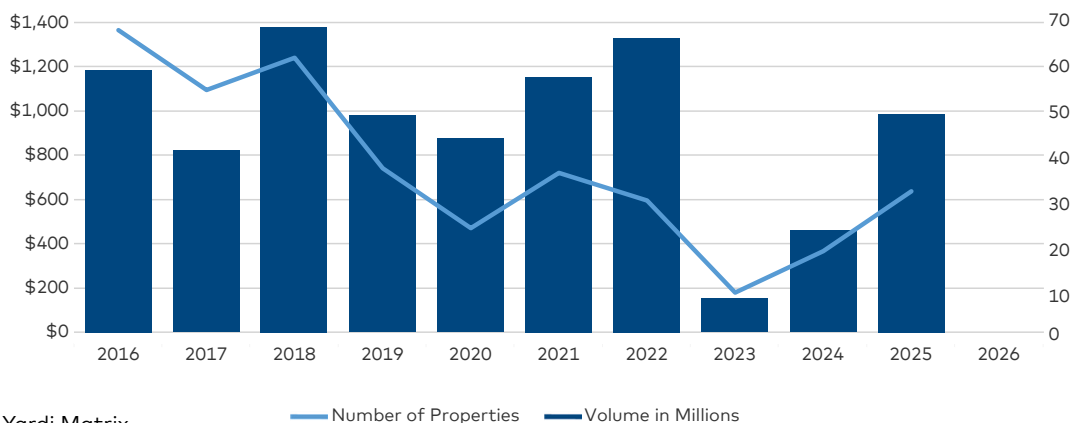


Source: Yardi Matrix

TRANSACTIONS

- ▶ While no transactions were reported in January, Sacramento's multifamily sales surpassed \$985 million in 2025, marking a rebound to its average after two dry years that recorded a combined total of \$613 million.
- ▶ The average price per unit rose 28.8% year-over-year, to \$230,713 in December, again surpassing the \$203,810 U.S. rate. This was in the context of 2025's sales composition tilting heavily toward value-add assets, as RBN accounted for nearly three-quarters of the total transactions. These traded at an average of \$171,219 per unit, while the nine Lifestyle assets changed hands for \$292,102.
- ▶ Notable recent sales include the trade of a 275-unit Lifestyle asset in the Broadway Corridor between buyer Demmon Partners and seller AEW Capital Management. The property sold for \$106 million, or \$385,455 per unit, aided by a \$65 million loan originated by JPMorgan Chase.

Sacramento Sales Volume and Number of Properties Sold (as of January 2026)



Source: Yardi Matrix

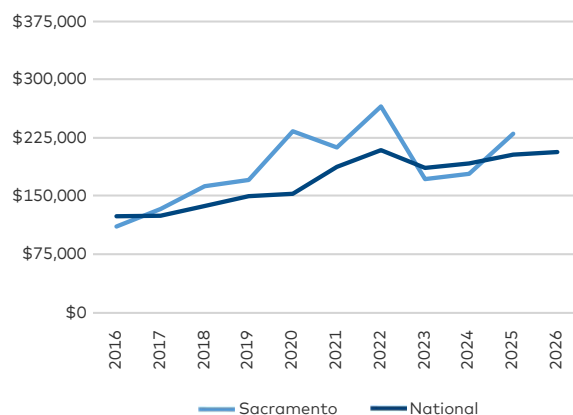
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Rocklin/Roseville	137
Broadway Corridor	106
Encina/Ethan/Woodside	97
East Greenhaven/South Land Park	90
Natomas	83
North West Sacramento	58
Pocket/West Greenhaven	51

Source: Yardi Matrix

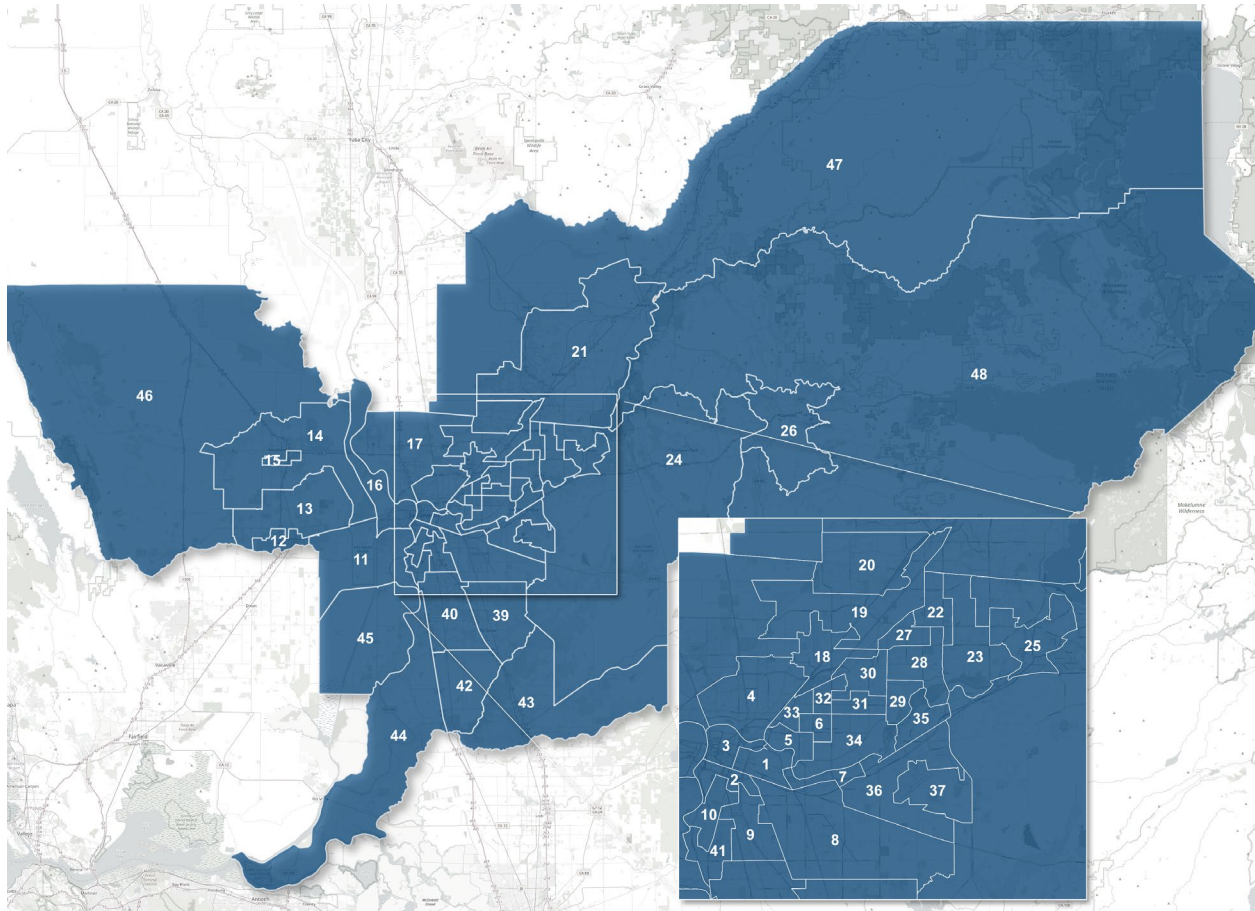
¹ From February 2025 to January 2026

Sacramento vs. National Sales Price per Unit



Source: Yardi Matrix

SACRAMENTO SUBMARKETS



Area No.	Submarket
1	Midtown
2	Broadway Corridor
3	Central Business District
4	North Sacramento
5	Encina/Ethan/Woodside
6	Arden Gardens/Arden Terrace
7	La Riviera
8	Florin/Southeast Sacramento
9	Parkway/South Sacramento
10	Land Park
11	Pocket/West Greenhaven
12	Central Davis
13	Greater Davis
14	North Woodland
15	South Woodland
16	North West Sacramento

Area No.	Submarket
17	Natomas
18	North Highlands
19	Foothills Farms/West Citrus Heights
20	Antelope
21	Rocklin/Roseville
22	Central Citrus Heights
23	Fair Oaks
24	Greater Folsom/El Dorado Hills
25	Central Folsom/South Orangevale
26	Placerville
27	Southwest Citrus Heights
28	Northeast Carmichael/West Fair Oaks
29	Southeast Carmichael
30	West Carmichael
31	Arcade Village/Mission
32	Mira Loma/Marconi

Area No.	Submarket
33	Bellview/Howe Edison
34	Arden Manor/Sierra Oaks Vista
35	North Rancho Cordova
36	South Rancho Cordova/Rosemont
37	Mather Airport
39	Elk Grove
40	Laguna Wes
41	East Greenhaven/South Land Park
42	Franklin/Laguna
43	Galt
44	Outlying Sacramento County
45	South Yolo County
46	Western Yolo County
47	Outlying Placer County
48	Outlying El Dorado County

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- ▶ *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- ▶ *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- ▶ *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- ▶ *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- ▶ *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- ▶ *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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