

# Yardi<sup>®</sup> Matrix

## MULTIFAMILY REPORT

# Sacramento Shows Potential

Winter 2020



Rent Gains Remains Above US Average

Education, Health Services Lead Job Growth

Healthy Demographics Boost Demand

# SACRAMENTO MULTIFAMILY

Yardi® Matrix

## Low Supply Keeps Rent Growth Steady

The market that has long been considered California's overlooked middle child has been enjoying more attention in recent quarters. In the context of ongoing low supply, the aftershock of the Bay Area's tech boom is still strongly felt in Sacramento's multifamily sector, where the average rent rose 5.3% year-over-year through November, outpacing the national rate of growth by 220 basis points. That ranked Sacramento third across all major U.S. metros, following Phoenix (7.5%) and Las Vegas (6.0%).

Employment growth moderated, with the expansion rate at 1.8% year-over-year through September, on par with the national average. The state capital gained 18,500 jobs, with education and health services (6,200 positions) in the lead, followed by the mining, logging and construction sector, which added 5,700 jobs. Accounting for expansions of health-care companies and a handful of major projects under development, both sectors are likely to continue expanding, slowly diversifying the city's government-centric workforce. The government sector, in fact, lost 900 positions in the 12 months ending in September.

Deliveries remained tepid, with only 629 units coming online in 2019 through November. Meanwhile, more than \$900 million in multifamily assets traded last year through October, as investors continued to mainly target value-add plays in the absence of significant newer stock.

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## Market Analysis | Winter 2020

### Contacts

#### Jeff Adler

Vice President & General Manager of Yardi Matrix  
[Jeff.Adler@Yardi.com](mailto:Jeff.Adler@Yardi.com)  
(800) 866-1124 x2403

#### Jack Kern

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

#### Ron Brock, Jr.

Industry Principal, Matrix  
[JR.Brock@Yardi.com](mailto:JR.Brock@Yardi.com)  
(480) 663-1149 x2404

#### Author

#### Anca Gagiuc

Associate Editor

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### Recent Sacramento Transactions

#### Miramonte/Trovas



City: Sacramento, Calif.  
Buyer: Jackson Square Properties  
Purchase Price: \$104MM  
Price per Unit: \$236,364

#### Shore Park at Riverlake



City: Sacramento, Calif.  
Buyer: Sequoia Equities  
Purchase Price: \$97 MM  
Price per Unit: \$247,328

#### The Creek at 2645



City: Sacramento, Calif.  
Buyer: Bridge Investment Group  
Purchase Price: \$72 MM  
Price per Unit: \$195,652

#### Natomas Park



City: Sacramento, Calif.  
Buyer: Jackson Square Properties  
Purchase Price: \$37 MM  
Price per Unit: \$174,528