

Yardi® Matrix

MULTIFAMILY REPORT

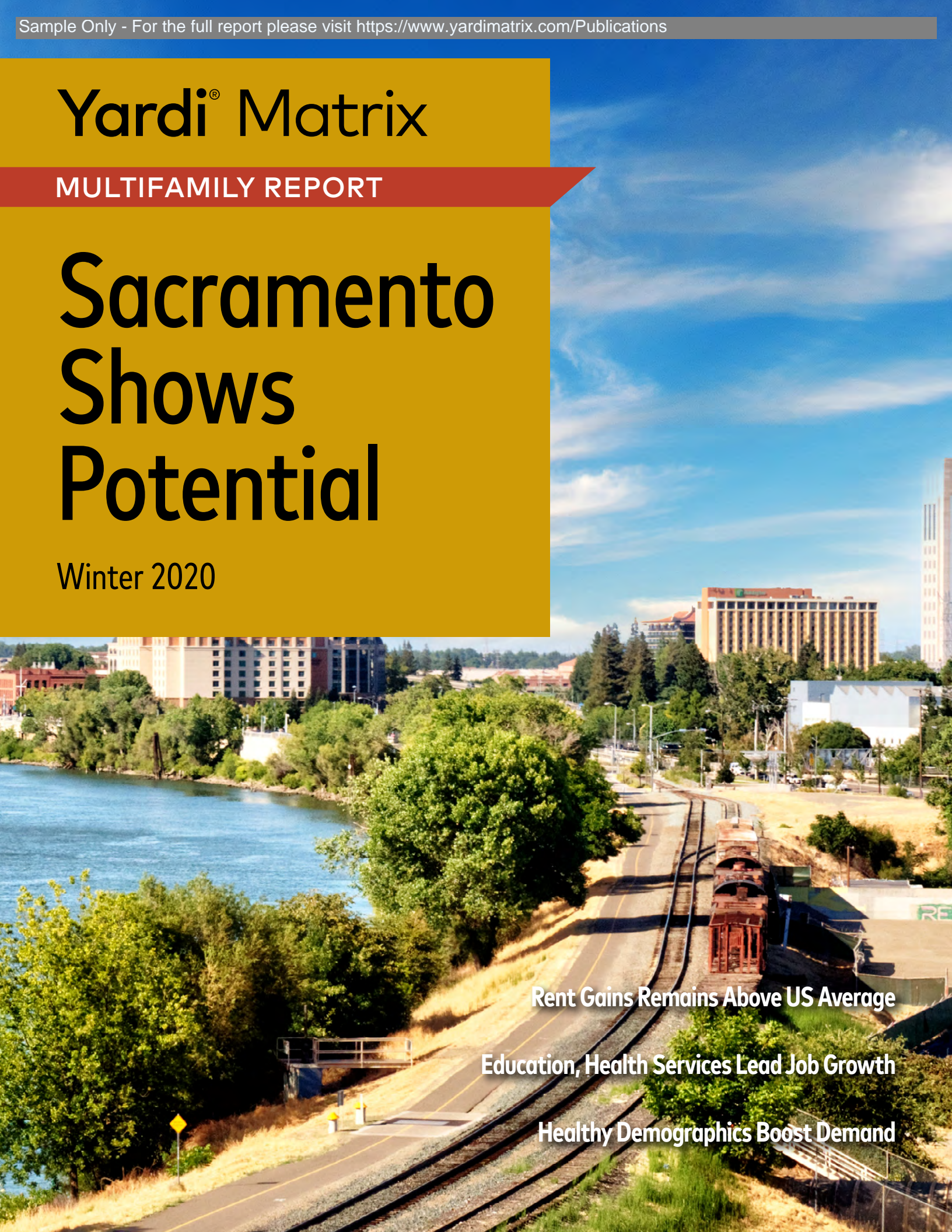
Sacramento Shows Potential

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.

Market Analysis | Winter 2020

Contacts

Jeff Adler

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

Jack Kern

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

Ron Brock, Jr.

Industry Principal, Matrix
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