



MULTIFAMILY REPORT

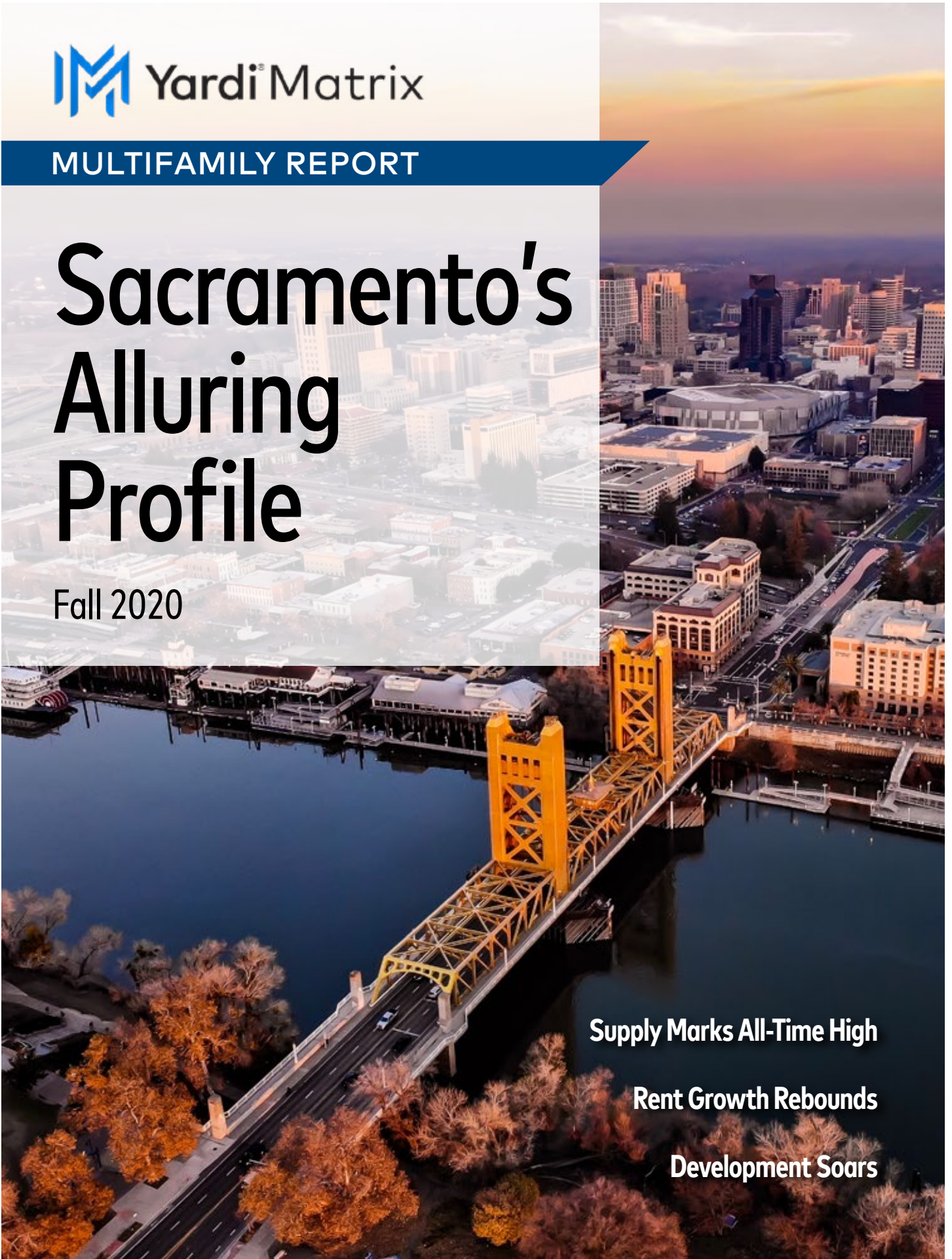
# Sacramento's Alluring Profile

Fall 2020

**Supply Marks All-Time High**

**Rent Growth Rebounds**

**Development Soars**



# SACRAMENTO MULTIFAMILY



## Strengthening Demand Boosts Rent Expansion

Sacramento's multifamily fundamentals held up well through the year's first three quarters, outperforming major markets and the nation. The average rent rose 0.6% on a trailing three-month basis through September to \$1,575, while the U.S. rate inched up 0.1% to \$1,463. The occupancy rate in stabilized properties pointed to solid demand, with the rate rising 10 basis points to 96.2%, in the year ending in August.

But the metro is not out of the woods yet, even though the unemployment rate rose from an all-time high of 14.0% in April to 11.6% in July. Moreover, due to a high number of unemployment claims, on Sept. 20, officials suspended the processing of new applications for two weeks. The job market marked the fourth-consecutive month of contractions, down 6.8% in July and 20 basis points above the U.S. rate. All sectors lost jobs, except financial activities. Government jobs and professional and business services—which account for a respective 24.0% and 14.3% of the workforce—have fared well, shrinking by 4.7% and 2.4%, respectively.

The pandemic has stalled sales activity. Just \$341 million in multifamily assets traded through September, with the price per unit rising 11.2% to \$200,606. Meanwhile, developers marked an all-time high in supply, with 1,460 units delivered and 4,678 underway. Accounting for these factors, we expect rents to rise 1.9% in 2020.

## Market Analysis | Fall 2020

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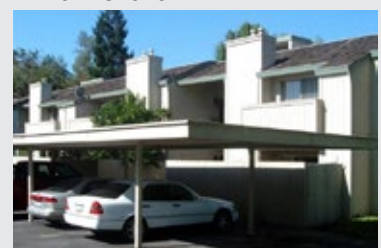
### Recent Sacramento Transactions

#### Fountains at Point West



City: Sacramento, Calif.  
Buyer: Bridge Investment Group  
Purchase Price: \$85 MM  
Price per Unit: \$251,180

#### Willow Grove



City: Sacramento, Calif.  
Buyer: Western Management  
Purchase Price: \$53 MM  
Price per Unit: \$173,203

#### Westlake



City: Sacramento, Calif.  
Buyer: Graceada Partners  
Purchase Price: \$24 MM  
Price per Unit: \$158,784

#### Heritage Oaks



City: Woodland, Calif.  
Buyer: Affordable Housing Access  
Purchase Price: \$15 MM  
Price per Unit: \$122,500