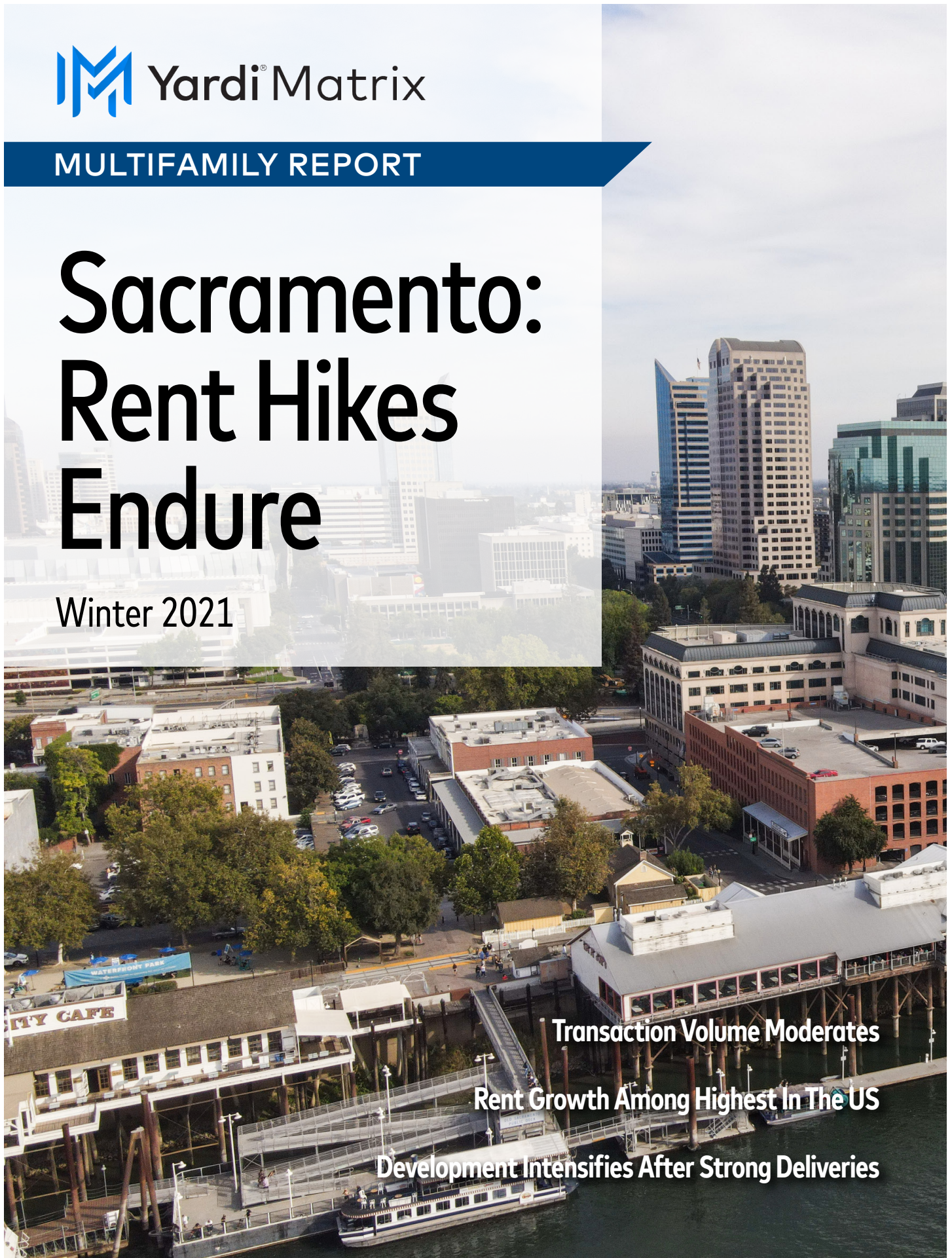




MULTIFAMILY REPORT

# Sacramento: Rent Hikes Endure

Winter 2021



**Transaction Volume Moderates**

**Rent Growth Among Highest In The US**

**Development Intensifies After Strong Deliveries**



# SACRAMENTO MULTIFAMILY



## Strong Migration Aids Multifamily Market

Sacramento's multifamily market registered remarkable gains during the pandemic, with demand boosted by strong in-migration. The average rent rose 0.5% on a trailing three-month basis through January to \$1,634, while the national rate stayed flat at \$1,392. The metro's notoriously limited housing supply kept the occupancy rate in stabilized properties high, up 100 points year-over-year through December, to 96.8%.

The unemployment rate dropped to 6.7% in November, but December preliminary data pointed to 7.9%. The increase was correlated to a new spike in infections, that prompted Gov. Gavin Newsom to enforce a new set of restrictions. Employment growth in the 12 months ending in November marked a 7.9% contraction of the workforce, 70 basis points below the national rate. Financial activities—the only sector that gained jobs—expanded by 3.8% during the period. Newsom proposed the Equitable Recovery for California's Business and Jobs budget plan, a \$4.5 billion package that would aid the state's recovery.

2020 marked the best year in stock expansion, with 2,026 units delivered, and in January, 4,701 units were under construction. Meanwhile, \$918 million in multifamily assets traded for a price per unit that rose 27.4% to \$229,841.

## Market Analysis | Winter 2021

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### Recent Sacramento Transactions

#### Ascent at the Galleria



City: Roseville, Calif.  
Buyer: Davlyn Investments  
Purchase Price: \$95 MM  
Price per Unit: \$347,985

#### Larkspur Woods Condos



City: Sacramento, Calif.  
Buyer: Sequoia Equities  
Purchase Price: \$71 MM  
Price per Unit: \$306,034

#### Avion



City: Rancho Cordova, Calif.  
Buyer: Jackson Square Properties  
Purchase Price: \$55 MM  
Price per Unit: \$262,019

#### Vista Torre



City: Carmichael, Calif.  
Buyer: Realty Center Management  
Purchase Price: \$23 MM  
Price per Unit: \$284,063