



MULTIFAMILY REPORT

Rents Stall In Sacramento

December 2023

Deliveries Reach Annual Record

Investment Volume Down

T3 Rates At Standstill



SACRAMENTO MULTIFAMILY



Record Supply, Rate Growth Flat

Sacramento's multifamily fundamentals posted mixed results at the start of the fourth quarter. Rent growth remained flat for the third consecutive month in October, despite record supply expansion. At \$1,916, the metro's average rate remained above the \$1,718 U.S. figure. The occupancy rate in stabilized properties fell 70 basis points to 94.7% in the 12 months ending in September, solely due to a drop in the Renter-by-Necessity segment.

The jobless rate in California's capital stood at 4.3% in September, according to the Bureau of Labor Statistics, trailing the U.S. (3.8%) but surpassing the state (4.7%) and Los Angeles (5.3%). The job market expanded 2.5% year-over-year as of August, on par with the national average. During the period, three sectors lost jobs—financial activities, information and manufacturing—for a total of 1,900 jobs combined. Meanwhile, half of the 25,700 new positions were added to Sacramento's second largest economic driver, education and health services. Supporting the sector's growth, California Northstate University's plans for a new medical campus at the site of the Sleep Train Arena were approved.

Deliveries through October marked a new annual record, expanding the stock by 2,200 units, with another 42,500 units under construction. Heavily impacted by the financing landscape, investment volume totaled just \$119 million through October, for a price per unit that declined 24.8% year-over-year, to \$206,188.

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Recent Sacramento Transactions

Hellenic Seniors



City: Sacramento, Calif.
Buyer: Dawson Holdings
Purchase Price: \$28 MM
Price per Unit: \$400,000

Courtyard at Artisan Square



City: Sacramento, Calif.
Buyer: Trion Properties
Purchase Price: \$24 MM
Price per Unit: \$226,923

El Macero Village



City: Davis, Calif.
Buyer: Bridge Partners
Purchase Price: \$23 MM
Price per Unit: \$216,962

Rosemont Terrace



City: Sacramento, Calif.
Buyer: Redwood Property Investors
Purchase Price: \$18 MM
Price per Unit: \$179,000