



MARKET AT A GLANCE



OCCUPANCY RATE 97.0%

Up 20 bps since 3Q19



EFFECTIVE RENT \$1,589

Up 3.2% since 3Q19



RENT PAYMENT TRACKER (Oct. 1-13) 93.3%

Up 70 bps since Sept. 1-13

OCCUPANCY AND RENT TRENDS

ROBUST APARTMENT DEMAND DRIVES 3Q RENT GROWTH

The residential flight from costlier coastal areas and continually rising local home prices kept apartment demand brisk in the Sacramento metro area through the third quarter of 2020. Renters newly occupied 1,259 apartments during the third quarter. The demand widely outpaced deliveries, fueling a 60-basis-point increase in occupancy from June 2020 to 97.0% in September. At the same time, average effective rent rose 3.1% to \$1,589 per month. In the urban core, apartment demand rebounded in the third quarter, driving up occupancy 20 basis points to 93.8% in the Central Sacramento submarket, while monthly effective rent rose 0.5% to \$1,846. The quarter-over-quarter increase in occupancy and rent was absent only in the Davis submarket. The University of California, Davis has an outsized impact in the Davis apartment submarket, where demand fell significantly amid the university's pandemic-driven shift to online studies during the spring semester and hybrid courses during the fall. The late spring and summer months were a period of renewal in the local labor market. Following a 14.3% contraction in employment from February to April 2020, local payrolls grew 6.1% through August as 53,800 jobs were created or restored.



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MULTIFAMILY REPORT

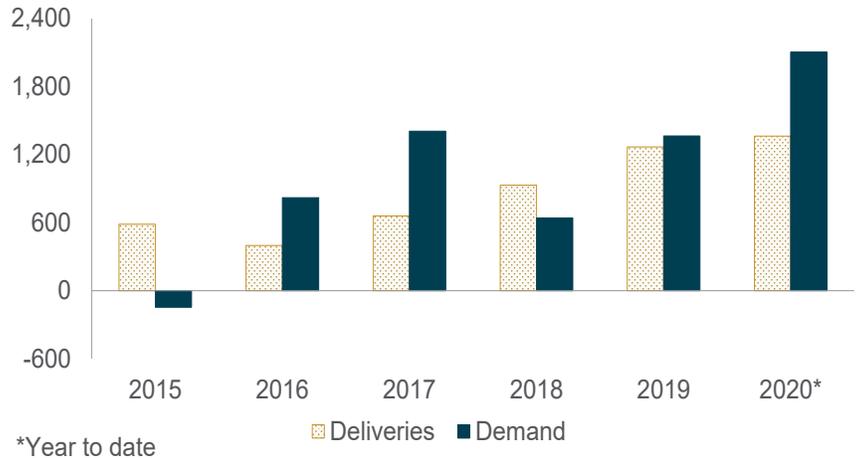
DELIVERIES AND DEMAND



DELIVERIES 1,363
Units YTD



NET ABSORPTION 2,104
Units YTD



ECONOMIC TRENDS

2019 3.5% **UNEMPLOYMENT*** 2020 9.3%
580 BPS CHANGE

2019 1.0m **EMPLOYMENT*** 2020 0.9m
-8.4% CHANGE

2019 28.5k **EXISTING SFH SALES**** 2020 32.8k
15.1% CHANGE

2019 2.4m **POPULATION**** 2020 2.4m
0.8% CHANGE

2019 1.70% **10-YEAR TREASURY**** 2020 0.68%
-100 BPS CHANGE

*August; **September



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MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	3Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	3Q20	Q-o-Q Change	Y-o-Y Change	3Q20	Annual	3Q20	Annual
Arden/Arcade	97.7%	100	80	\$1,337	2.4%	6.0%	149	119	0	0
Carmichael	98.2%	70	120	\$1,279	1.0%	3.0%	63	107	0	0
Central Sacramento	93.8%	20	-160	\$1,846	0.5%	-3.2%	115	607	84	922
Citrus Heights	97.0%	80	50	\$1,420	4.9%	6.2%	59	35	0	0
Davis	95.9%	-310	-310	\$1,988	-0.9%	3.8%	-314	-316	0	0
Folsom/Orangevale/Fair Oaks	96.3%	170	60	\$1,697	3.6%	2.1%	374	592	145	534
Natomas	97.7%	120	110	\$1,619	4.4%	3.6%	280	341	126	209
North Sacramento/North Highlands	97.7%	30	60	\$1,405	3.9%	4.1%	30	63	0	0
Rancho Cordova/East Sacramento	97.1%	30	-10	\$1,430	3.3%	3.7%	33	-15	0	0
Roseville/Rocklin	97.8%	130	140	\$1,780	6.9%	4.3%	219	432	0	192
South Sacramento	98.0%	160	100	\$1,570	4.5%	4.8%	236	113	0	0
Woodland/West Sacramento	97.7%	20	-100	\$1,390	0.8%	3.4%	15	-9	0	69
TOTALS	97.0%	60	20	\$1,589	3.1%	3.2%	1,259	2,070	355	1,926

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