

Downtown Sacramento Market Report

Q1 2023



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SACRAMENTO
PARTNERSHIP

DowntownSac.org/DoBusiness

916-442-8575

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Thriving Downtown

Q1 2023

Ideally situated along the Sacramento River and mere steps from California's State Capitol, major commuting corridors and transit connections, downtown Sacramento is Northern California's hub for culture, entertainment, employment and innovation. The epicenter of Sacramento's growing list of accolades, there's no better place to turn dreams into reality than downtown Sacramento.

Downtown Demographics

Sacramento is renowned for having a great quality of life, low cost of living, and diversity.

	1 Mile	2 mi
Population	20,634	61,174
Average Age	39	39
Households	11,862	30,880

- One-Person Household
- Two-Person Household
- Three-Person Household
- Four-Person+ Household

70%
of Households are
One-Person Households



Source: Placer.AI

Downtown Rising

Bringing together the dynamism of the business world with the excitement of a growing urban neighborhood, downtown Sacramento is quickly becoming the city's most desirable place to visit and live.



70%
hotel occupancy

Source: City of Sacramento

16¢
generated per
visitor

78%
of 2019 pedestrian
numbers recovered

Source: Placer.AI

Downtown Housing Initiative

The Downtown Housing Initiative aims to increase downtown housing by 10,000 units by 2025.



Source: CoStar Properties

Working Downtown

Downtown Sacramento is home to an urban campus where energy and work collide.



Source: CoStar Properties, Placer.AI

Downtown Office Market

Home to more than one-third of the region's Class A office space, downtown is the region's premier urban corporate campus.

	Total Office Space	Capitol Mall	Civic Center	The Kay
Office Inventory (sq. ft.)	6,946,515	2,699,825	934,914	2,399,151
Vacancy Rate	24.2%	11.6%	21.8%	30.8%
Rental Rate per (sq. ft.)	\$3.18	\$3.45	\$2.88	\$3.16

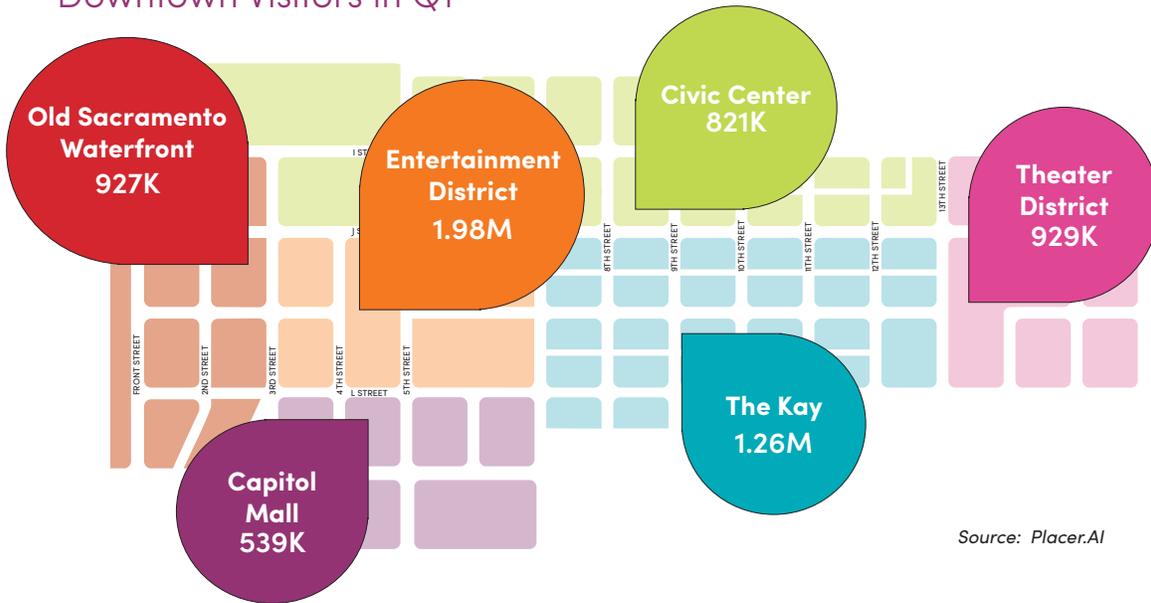
Source: CoStar Properties

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Updated April 2023

Downtown Visitors in Q1

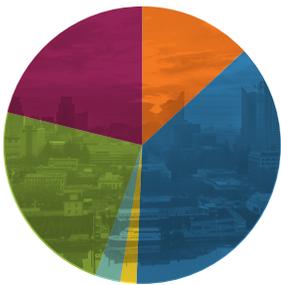


Source: Placer.AI

Retail Market

With unparalleled access to employees, residents, and visitors, downtown Sacramento is the ideal location for retail.

For a complete listing, visit GoDowntownSac.com/explore



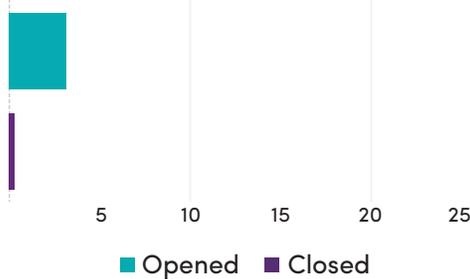
Food & Beverage
Services
Shopping
Entertainment
Hotel
Health & Wellness

37%
of Retail Businesses
Downtown are Food &
Beverage

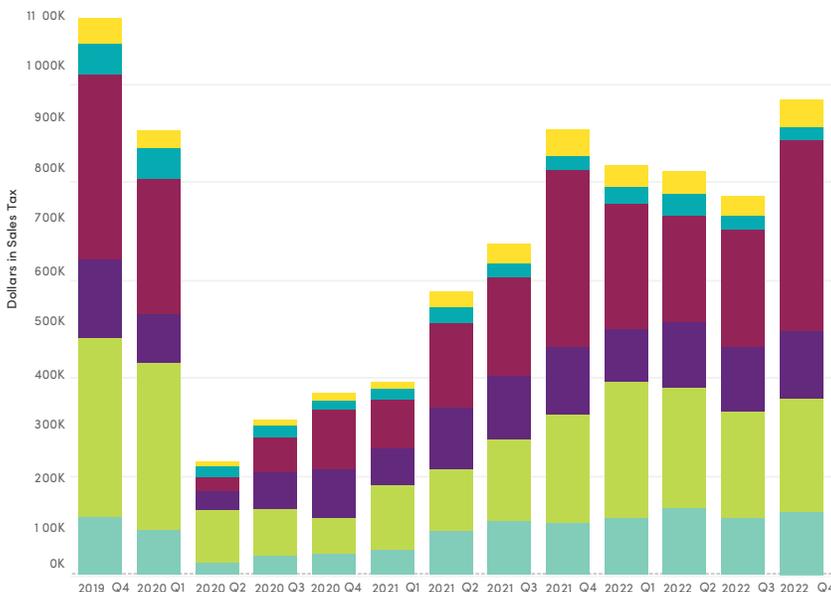
New Businesses Created

Every year, new businesses are laying down roots in downtown Sacramento.

Opened and Closed Businesses in 2023



Sales Tax by District



85%
of Q4 2019 Sales Tax
Recovered

Source: City of Sacramento

Capitol Mall
Civic Center
Entertainment District
Old Sac. Waterfront
The Kay District
Theater District

We're here
for you.

- Our team has the know-how to get things done. We monitor the pulse of downtown to help you understand the market.

- We're on-call to help you make it easier to open your doors downtown.

- Our marketing and promotional partnerships help your business thrive.



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Q1 Occupancy

Office Market

	2023 Q1	2022 Q1	2021 Q1	2020 Q1
Vacancy Rate	24.20%	19.90%	17.80%	12.50%
Office Base Rent	\$3.18	\$3.13	\$3.07	\$3.13
Leasing Activity SF Total	4,977	53,333	22,513	63,486
Net Absorption SF Total	-55,331	32,143	-129,343	61,615

Retail Market

	2023 Q1	2022 Q1	2021 Q1	2020 Q1
Occupancy Rate	75.60%	79.60%	82.40%	85.60%
Retail Base Rent	\$3.20	\$3.17	\$3.07	\$3.08
Occupied SF	4,035,990	4,035,990	4,035,990	4,035,990

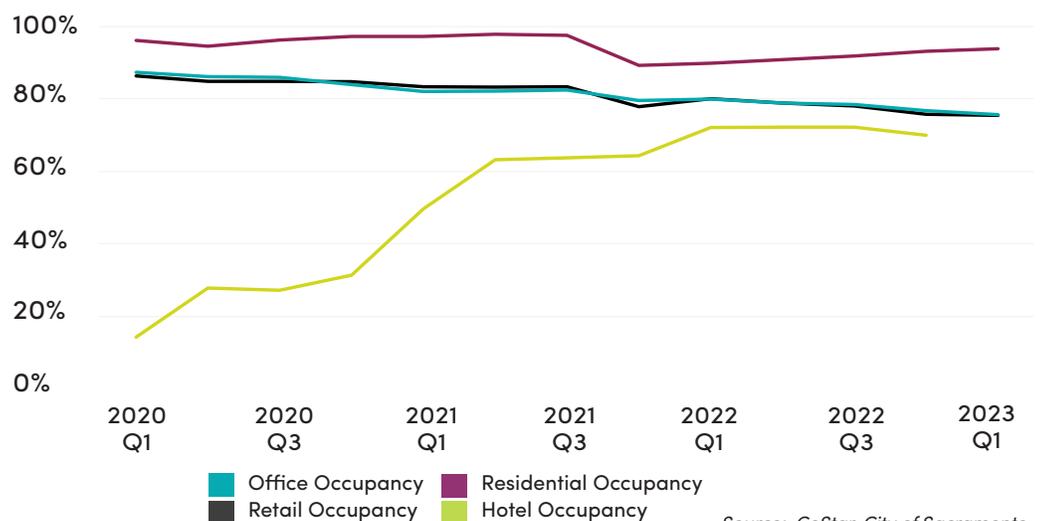
Residential Market

	2023 Q1	2022 Q1	2021 Q1	2020 Q1
Occupancy Rate	94.00%	90.00%	97.40%	96.30%
Average Rent PSF	\$2.64	\$2.63	\$2.61	\$2.60
Average Rent PU	\$1,701	\$1,681	\$1,668	\$1,665
Inventory Units	1,503	1,467	1,318	1,318

Hotel Market

	2022 Q4	2022 Q1	2021 Q1	2020 Q1
Occupancy Rate	70.11%	64.46%	31.46%	62.11%
RevPAR	\$154.50	\$128.50	\$35.60	\$102.20

Sacramento Markets Compared



Source: CoStar, City of Sacramento

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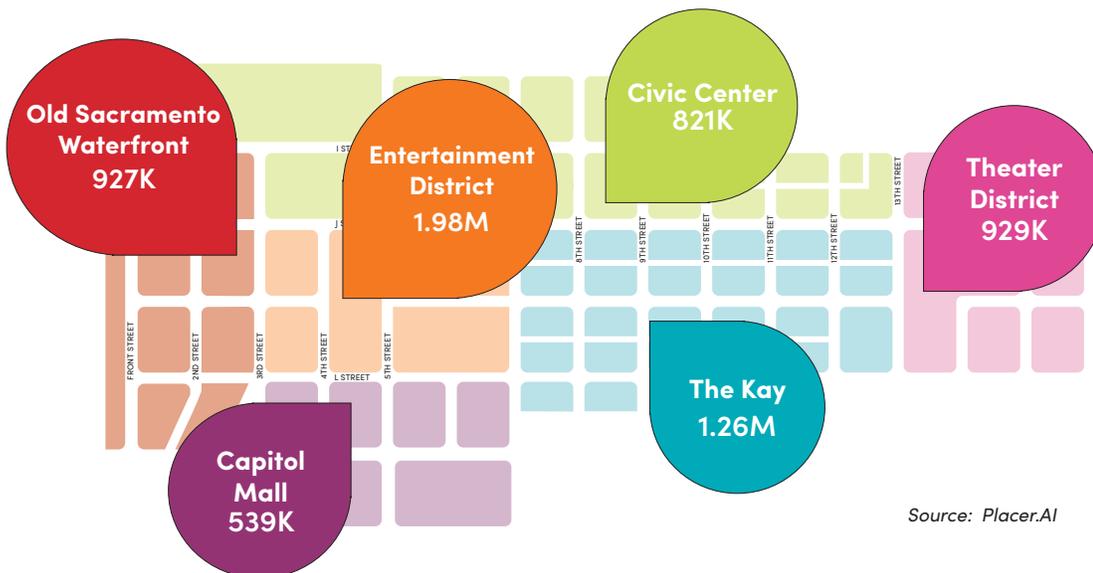
Q1 Visitors

Pedestrian Visits

	2023 Q1	2022 Q1	2021 Q1	2020 Q1
Downtown Sacramento	4,629,840	3,990,353	1,859,126	4,516,851
Capitol Mall	396,097	385,004	137,661	427,499
Civic Center	616,166	573,887	353,748	833,118
Entertainment District	1,867,869	1,540,805	363,408	1,553,011
Old Sac. Waterfront	851,409	850,789	661,367	755,674
The Kay District	1,084,700	1,004,306	365,134	1,281,887
Theater District	834,563	644,608	188,775	655,666

Employee Visits

	2023 Q1	2022 Q1	2021 Q1	2020 Q1
Downtown Sacramento	878,203	690,585	432,184	1,468,490
Capitol Mall	142,687	99,439	82,130	349,322
Civic Center	204,867	169,262	129,901	360,231
Entertainment District	117,985	105,664	49,862	94,440
Old Sac. Waterfront	76,167	63,381	39,442	63,470
The Kay District	176,753	137,238	63,395	322,187
Theater District	94,850	54,492	42,261	183,410



Source: Placer.AI


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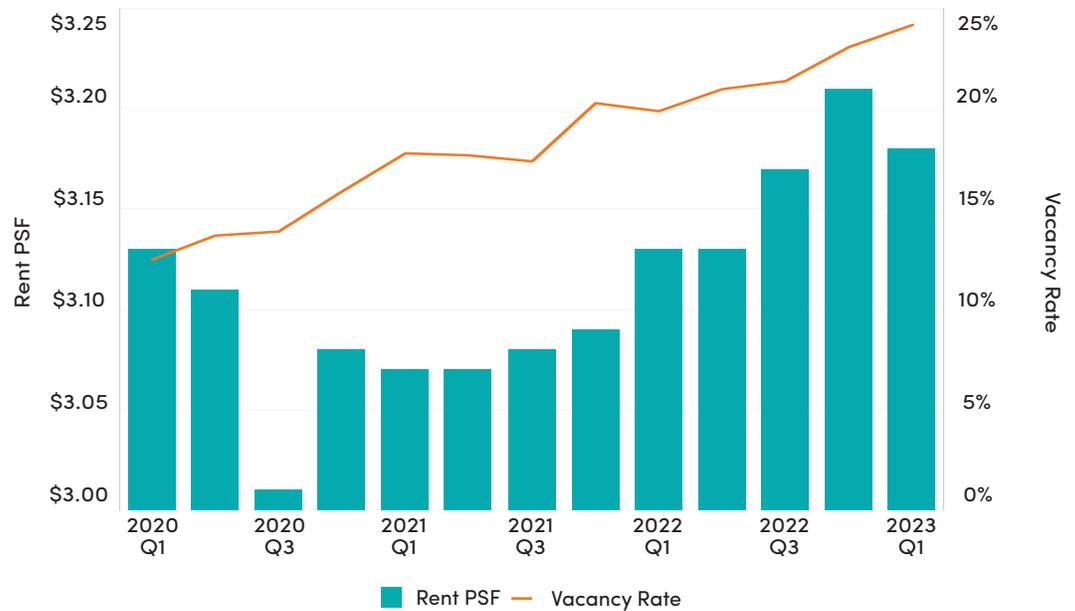
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Office & Retail

Office Market

As companies and government agencies continue to evaluate their needs, the office market has seen vacancy rates increase, but with a majority of high-profile inventory located in Downtown Sacramento, rents continue to trend upwards as offices prefer quality over quantity.

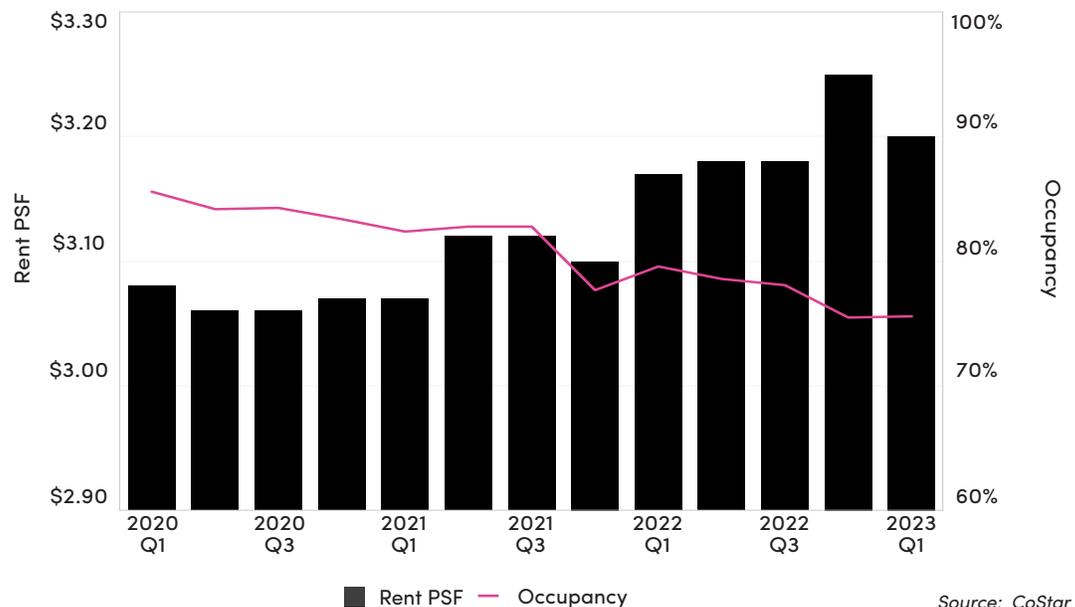
	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
Rent PSF	\$3.13	\$3.11	\$3.01	\$3.08	\$3.07	\$3.07	\$3.08	\$3.09	\$3.13	\$3.13	\$3.17	\$3.21	\$3.18
Vacancy Rate	12.5%	13.7%	13.9%	15.9%	17.8%	17.7%	17.4%	20.3%	19.9%	21.0%	21.4%	23.1%	24.2%



Retail Market

The Downtown Sacramento retail market has demonstrated resilience with a steady rental rate despite a decreasing occupancy since 2020 thanks to a growing residential and social sector downturn.

	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
Rent PSF	\$3.16	\$3.15	\$3.14	\$3.12	\$3.12	\$3.16	\$3.17	\$3.14	\$3.22	\$3.24	\$3.26	\$3.31	\$3.20
Occupancy Rate	86.5%	85.0%	85.0%	84.9%	83.5%	83.4%	83.5%	78.0%	80.2%	79.0%	78.2%	75.9%	75.6%



Source: CoStar

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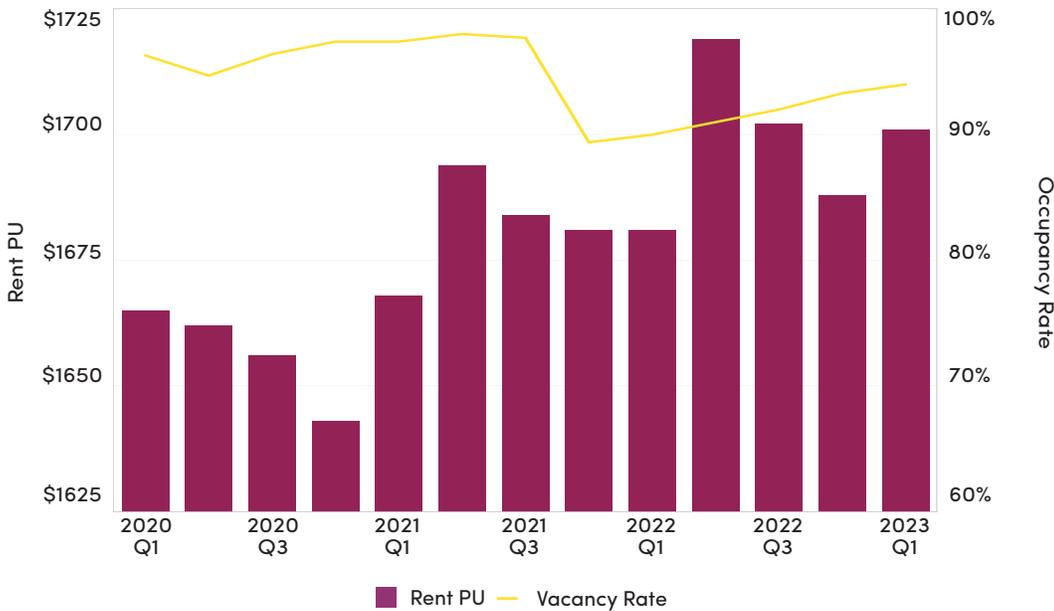
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Residential & Hotel

Residential Market

The desirability of the Downtown Sacramento residential market continues to demonstrate relatively quick absorption of new inventory, driving rising occupancy rates and modest increases in relatively stable asking rates.

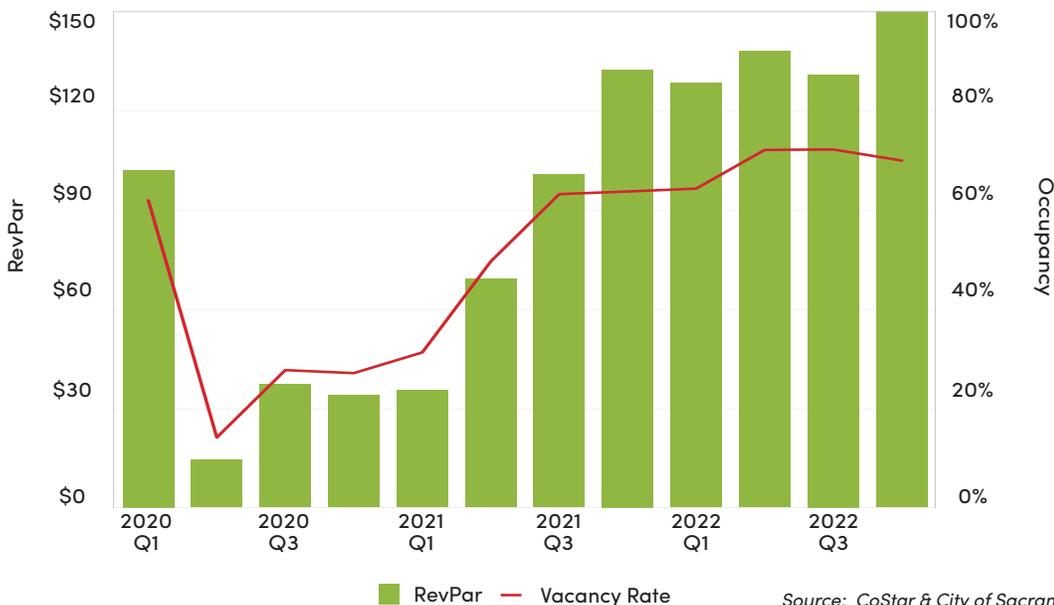
	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
Rent PU	\$1,665	\$1,662	\$1,656	\$1,643	\$1,668	\$1,694	\$1,684	\$1,681	\$1,681	\$1,719	\$1,702	\$1,688	\$1,701
Occupancy Rate	96.3%	94.7%	96.4%	97.4%	97.4%	98.0%	97.7%	89.4%	90.0%	91.0%	92.0%	93.3%	94.0%



Hotel Market

Downtown Sacramento's hotel market continued to demonstrate strong performance with a 70% average occupancy rate and an impressive RevPAR of \$154 with the expanded SAFE Credit Union Convention Center and Golden 1 Center serving as key drivers of business and leisure.

	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
RevPar	\$124	\$102	\$15	\$37	\$34	\$36	\$69	\$101	\$133	\$129	\$138	\$131	\$154
Occupancy Rate	76.8%	62.1%	14.4%	27.9%	27.3%	31.5%	49.8%	63.4%	63.9%	64.5%	72.3%	72.3%	70.1%



Source: CoStar & City of Sacramento



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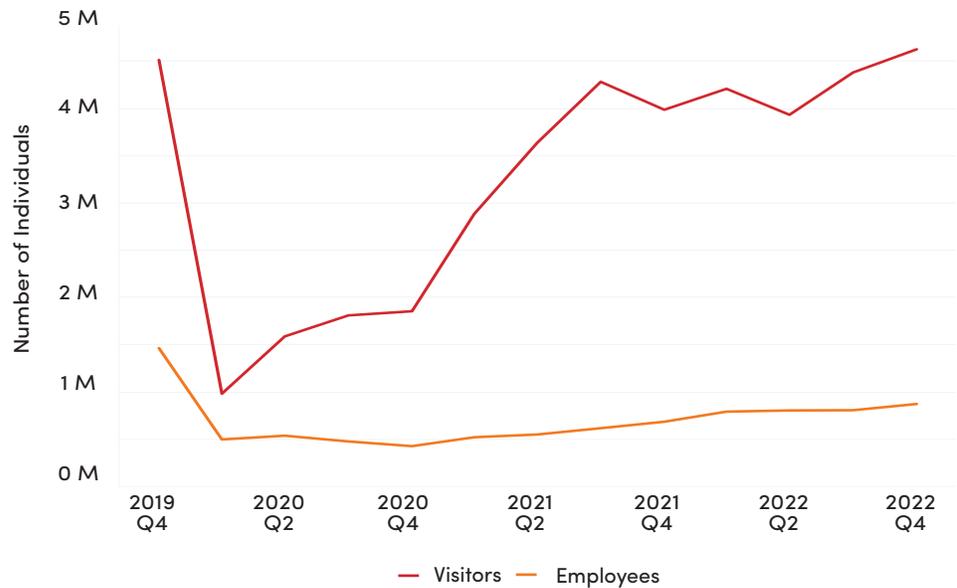
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Pedestrian Trends

Employees & Visitors

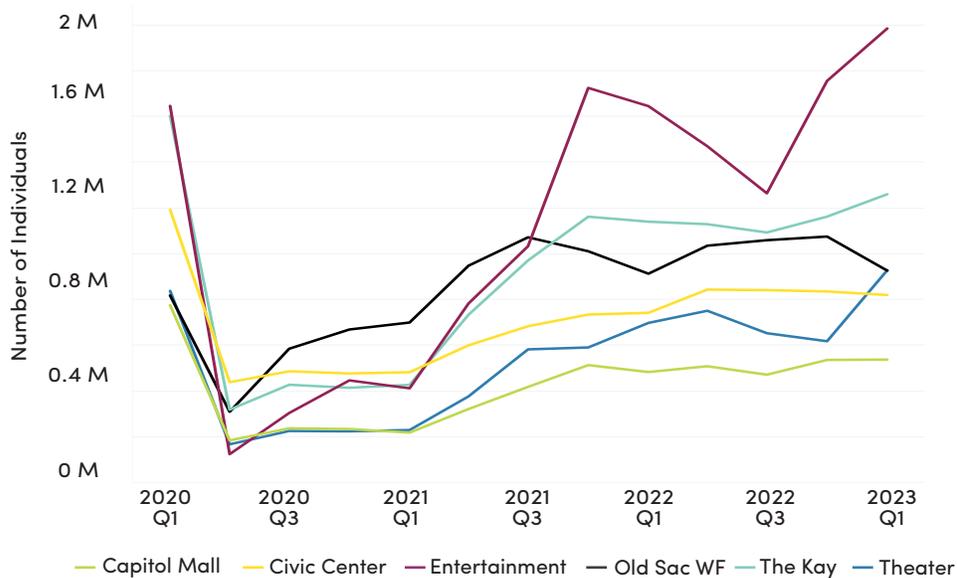
Downtown Sacramento visitation has surpassed pre-pandemic levels, as employee levels continue a modest yet steady upward climb.

	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
Employees	1.47 M	0.50 M	0.54 M	0.48 M	0.43 M	0.53 M	0.56 M	0.62 M	0.69 M	0.80 M	0.81 M	0.81 M	0.88 M
Visitors	4.52 M	.99 M	1.59 M	1.82 M	1.86 M	2.89 M	3.64 M	4.29 M	3.99 M	4.21 M	3.94 M	4.38 M	4.62 M



Pedestrians by District

	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
Cap Mall	0.38 M	0.07 M	0.11 M	0.12 M	0.12 M	0.19 M	0.28 M	0.36 M	0.33 M	0.34 M	0.30 M	0.35 M	0.54 M
Civic Center	0.83 M	0.27 M	0.32 M	0.33 M	0.35 M	0.46 M	0.54 M	0.58 M	0.57 M	0.65 M	0.64 M	0.64 M	0.82 M
Entertainment	1.55 M	0.11 M	0.27 M	0.39 M	0.36 M	0.72 M	0.97 M	1.63 M	1.54 M	1.38 M	1.16 M	1.64 M	1.98 M
Old Sac WF	0.76 M	0.28 M	0.55 M	0.64 M	0.66 M	0.91 M	1.04 M	0.96 M	0.85 M	0.96 M	0.98 M	1.00 M	0.93 M
The Key	1.28 M	0.24 M	0.35 M	0.36 M	0.37 M	0.65 M	0.88 M	1.05 M	1.00 M	0.96 M	0.92 M	1.01 M	1.26 M
Theater	0.60 M	0.10 M	0.14 M	0.15 M	0.16 M	0.28 M	0.48 M	0.50 M	0.60 M	0.64 M	0.54 M	0.54 M	0.93 M



Source: Placer.AI



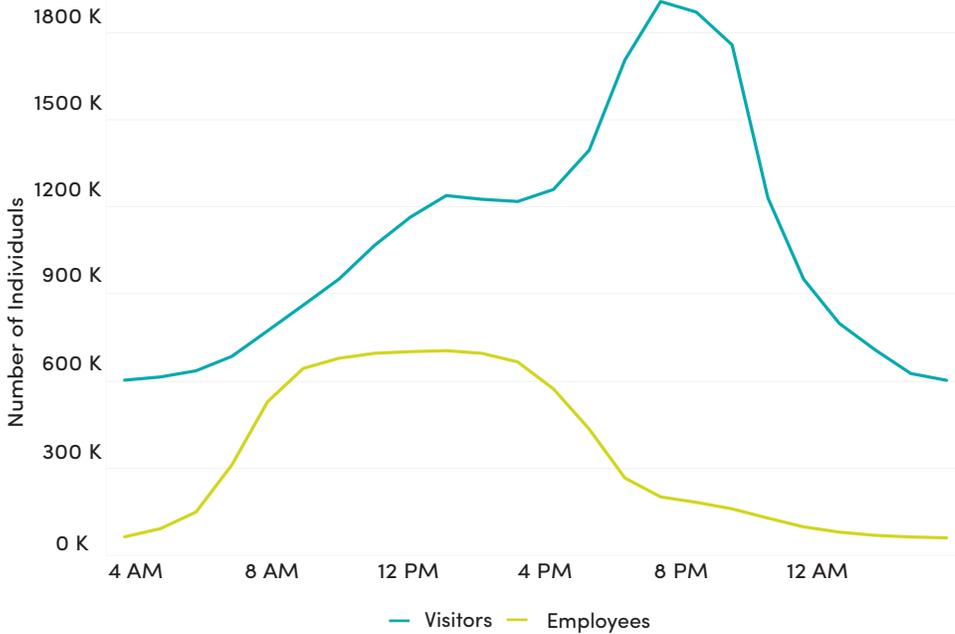
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Consumer Trends

Q1 Visits by Hour

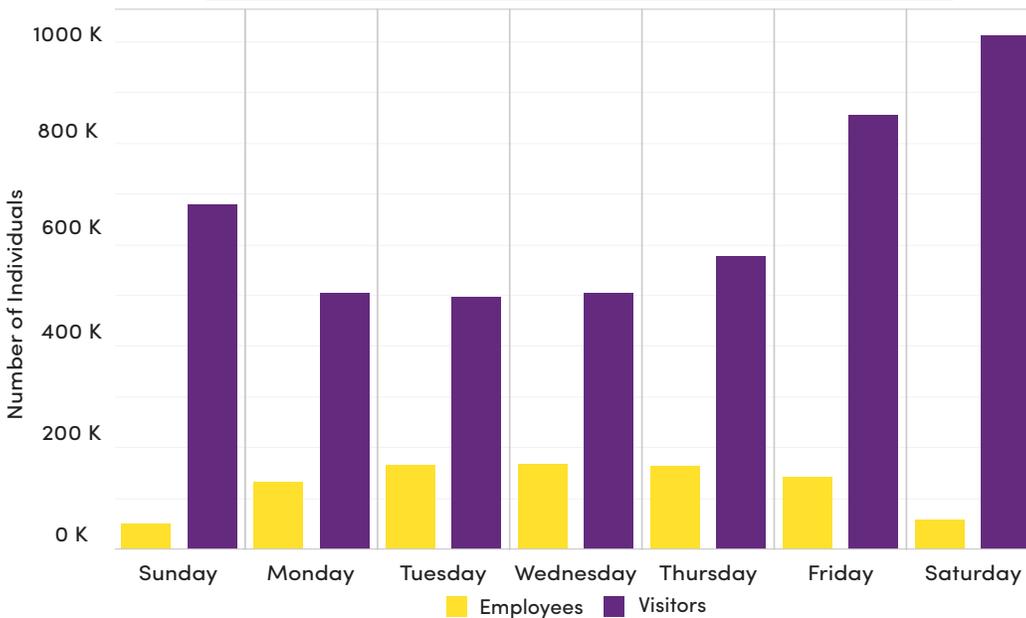
Weekend and evening visitation continues to serve as strong drivers of overall pedestrian traffic in Downtown Sacramento, in spite of an abnormally stormy first quarter of 2023.

	4 AM	6 AM	8 AM	10 AM	12 PM	2 PM	4 PM	6 PM	8 PM	10 PM	12 AM	2 AM
Visitors	605 K	637 K	774 K	953 K	1166 K	1227 K	1260 K	1707 K	1871 K	1232 K	800 K	604 K
Employees	66 K	151 K	530 K	680 K	703 K	697 K	575 K	268 K	184 K	130 K	81 K	65 K



Q1 Visits by Day of the Week

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Visitors	678 K	504 K	497 K	505 K	577 K	855 K	1014 K
Employees	49 K	131 K	166 K	168 K	164 K	142 K	58 K



Source: Placer.AI



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