

Downtown Sacramento Market Report

Q4 2023



downtown
SACRAMENTO
PARTNERSHIP

DowntownSac.org/DoBusiness

916-442-8575

DSP@downtownsac.org

Thriving Downtown

Q4 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

65%
of Households are
One-Person Households



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.



72%

hotel occupancy

Source: City of Sacramento

12¢

generated per
visitor

79%

of 2019 pedestrian
numbers recovered

Source: Placer.AI

Living Downtown

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



Working Downtown

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



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.)	6,995,167	2,356,739	938,428	2,424,214
Vacancy Rate	23.7%	14.2%	19.7%	33.6%
Rental Rate per (sq. ft.)	\$3.22	\$3.43	\$3.08	\$3.13

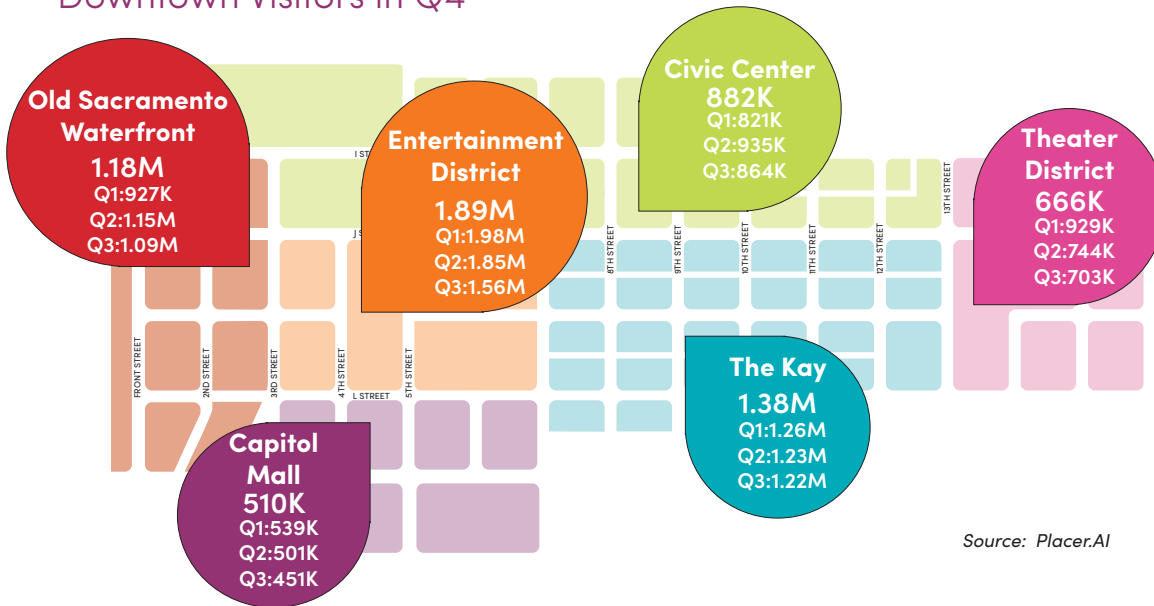
Source: CoStar Properties

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Updated January 2024

Downtown Visitors in Q4

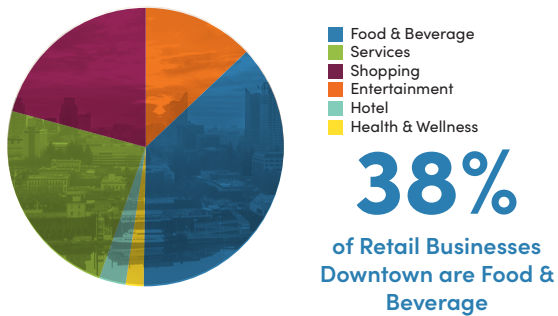


Source: Placer.AI

Retail Market

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

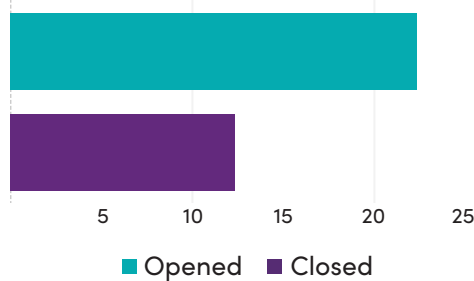
For a complete listing, visit GoDowntownSac.com/explore



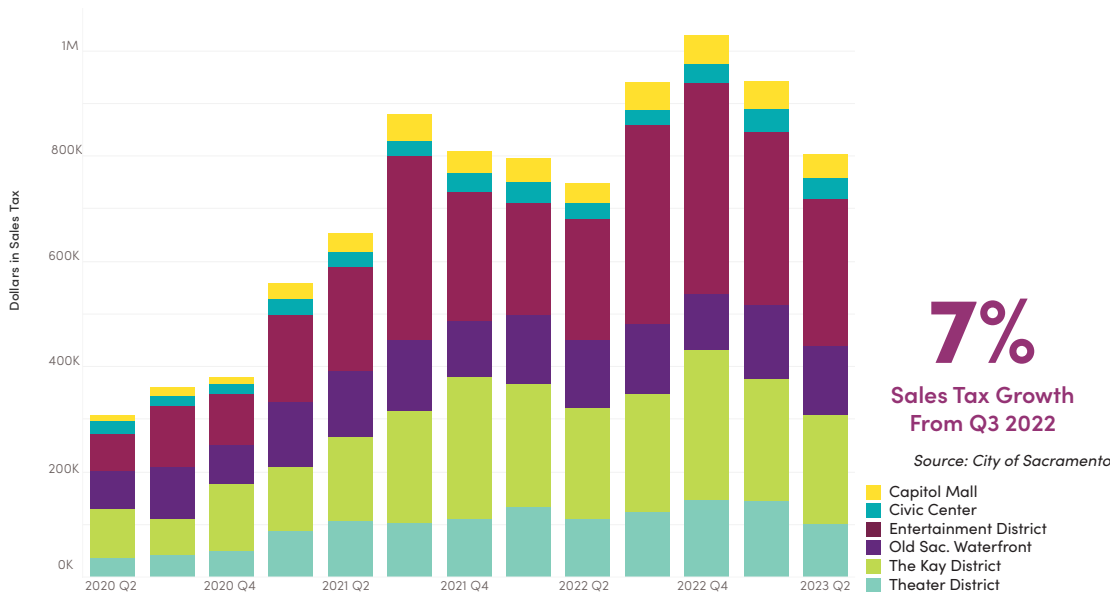
New Businesses Created

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

Opened and Closed Businesses in 2023



Sales Tax by District

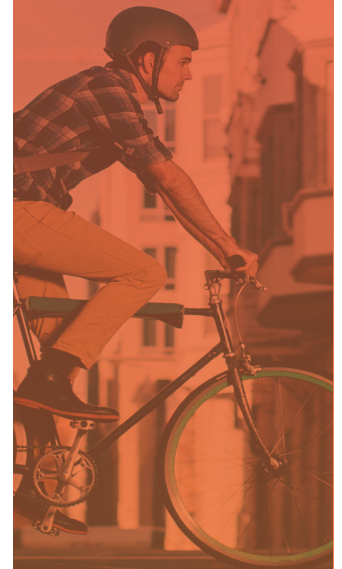


We're here for you.

- 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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Q4 Occupancy

Office Market

	2023 Q4	2022 Q4	2021 Q4	2020 Q4
Vacancy Rate	23.70%	22.30%	19.90%	15.50%
Office Base Rent	\$3.22	\$3.23	\$3.15	\$3.14
Leasing Activity SF Total	58,569	59,787	90,529	29,960
Net Absorption SF Total	55,022	-120,990	-202,745	-137,511

Retail Market

	2023 Q4	2022 Q4	2021 Q4	2020 Q4
Occupancy Rate	64.20%	63.90%	67.40%	75.50%
Retail Base Rent	\$3.02	\$3.18	\$3.13	\$3.10
Occupied SF	1,962,907	2,094,148	2,253,920	2,293,863

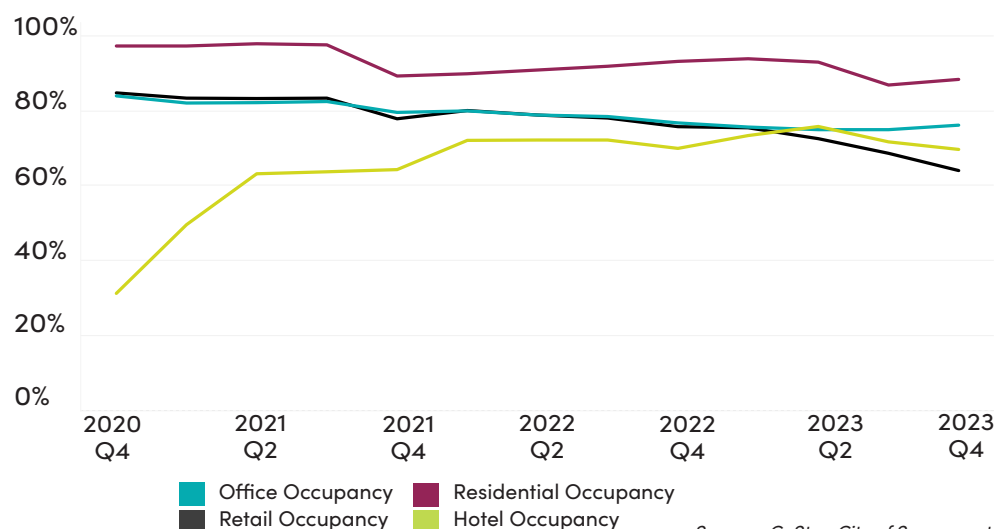
Residential Market

	2023 Q4	2022 Q4	2021 Q4	2020 Q4
Occupancy Rate	88.50%	93.60%	87.40%	97.30%
Average Rent PSF	\$2.65	\$2.72	\$2.68	\$2.66
Average Rent PU	\$1,740	\$1,785	\$1,761	\$1,747
Inventory Units	1,633	1,480	1,480	1,318

Hotel Market

	2023 Q4	2022 Q4	2021 Q4	2020 Q4
Occupancy Rate	69.83%	68.67%	58.70%	29.60%
RevPAR	\$150.95	\$138.42	\$106.39	\$39.25

Sacramento Markets Compared



Source: CoStar, City of Sacramento

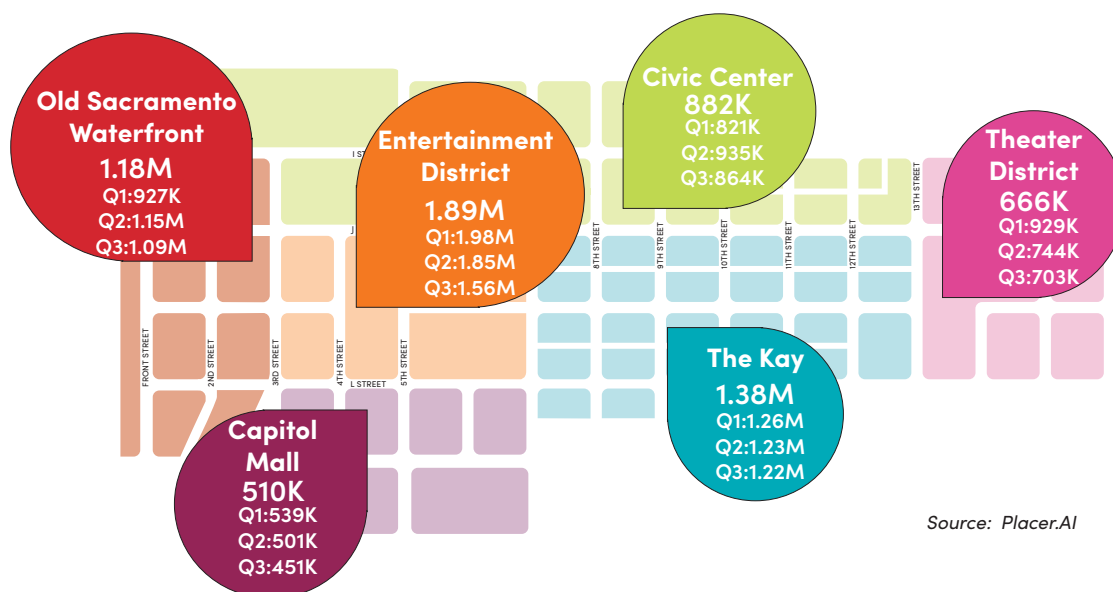
Q4 Visitors

Pedestrian Visits

	2023 Q4	2022 Q4	2021 Q4	2020 Q4
Downtown Sacramento	4,658,702	4,551,533	4,169,467	1,843,094
Capitol Mall	380,615	420,911	400,713	140,758
Civic Center	639,709	673,364	578,585	341,632
Entertainment District	1,789,551	1,691,899	1,581,465	394,878
Old Sac. Waterfront	1,089,280	1,027,477	930,321	635,992
The Kay District	1,142,698	1,115,491	1,043,933	369,366
Theater District	565,412	558,027	527,284	173,482

Employee Visits

	2023 Q4	2022 Q4	2021 Q4	2020 Q4
Downtown Sacramento	836,494	859,991	604,945	473,657
Capitol Mall	126,418	129,975	97,689	95,387
Civic Center	200,975	205,913	149,042	145,282
Entertainment District	98,921	113,256	86,749	53,169
Old Sac. Waterfront	85,529	82,757	49,106	34,280
The Kay District	181,709	171,812	103,669	50,213
Theater District	83,424	78,700	44,588	50,253



Source: Placer.AI

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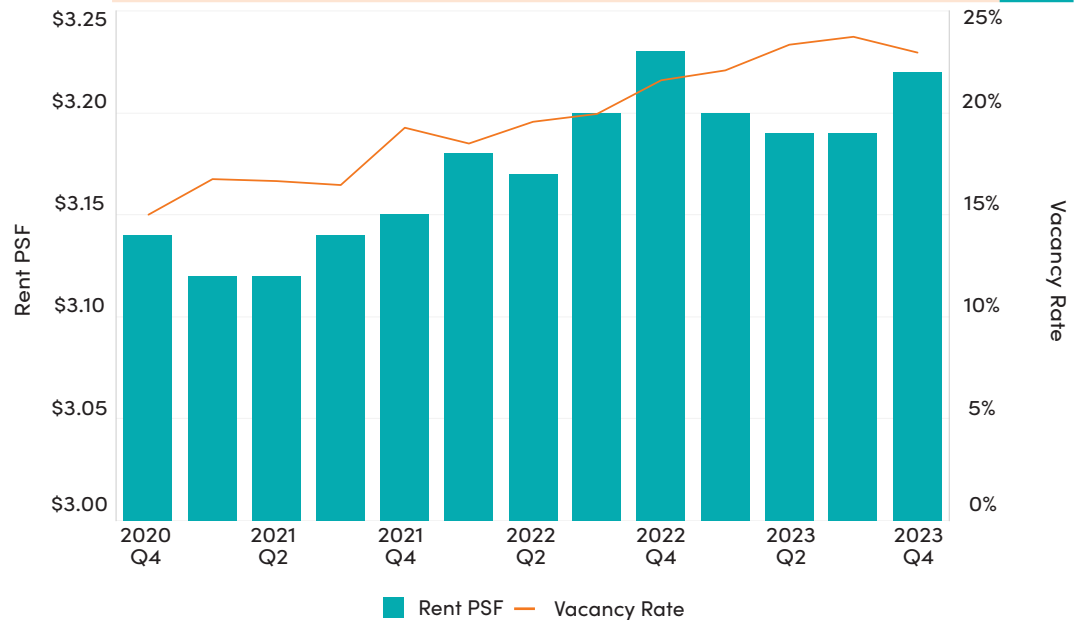
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Office & Retail

Office Market

Office vacancy rates have finally decreased for the first time since 2021 as Sacramento starts to find a happy balance of remote work policies and high-quality office spaces being created to entice return to office efforts.

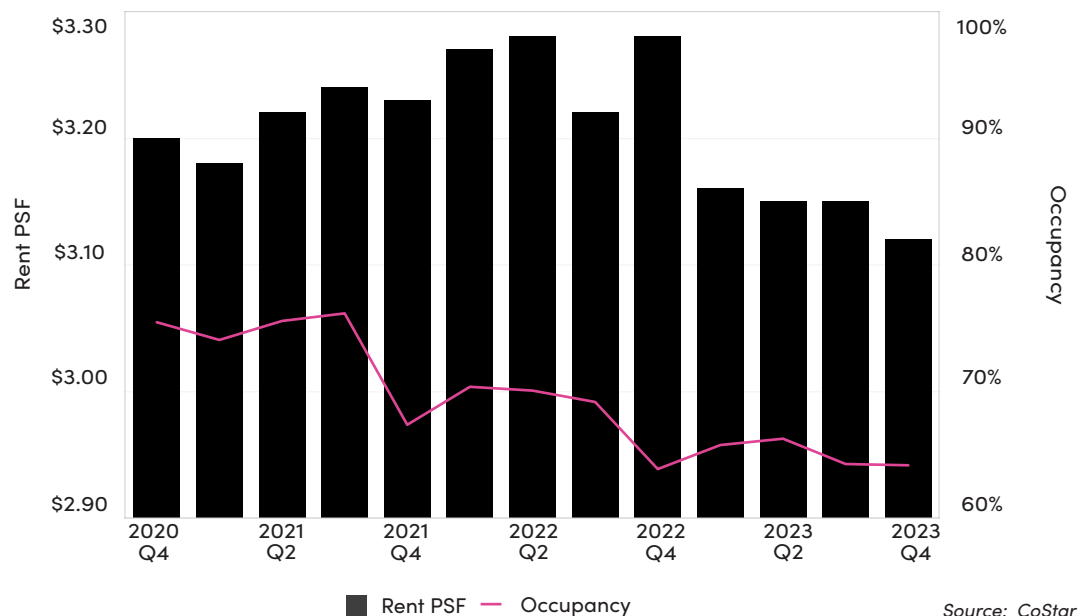
	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Rent PSF	\$3.14	\$3.12	\$3.13	\$3.14	\$3.15	\$3.18	\$3.17	\$3.20	\$3.23	\$3.20	\$3.19	\$3.18	\$3.22
Vacancy Rate	15.6%	17.5%	17.4%	17.2%	20.1%	19.3%	20.4%	20.8%	22.6%	23.3%	24.5%	24.9%	23.7%



Retail Market

Asking rents for brick-and-mortar spaces are approaching equilibrium as retail occupancy rates decline. A surging social sector is stabilizing the market as retailers shift to experience-driven concepts and evening-focused spaces.

	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Rent PSF	\$3.15	\$3.14	\$3.18	\$3.20	\$3.20	\$3.24	\$3.24	\$3.19	\$3.22	\$3.15	\$3.14	\$3.14	\$3.02
Occupancy Rate	79.4%	78.4%	79.2%	79.0%	72.2%	74.8%	73.6%	73.4%	69.8%	70.3%	70.3%	68.8%	64.2%



Source: CoStar

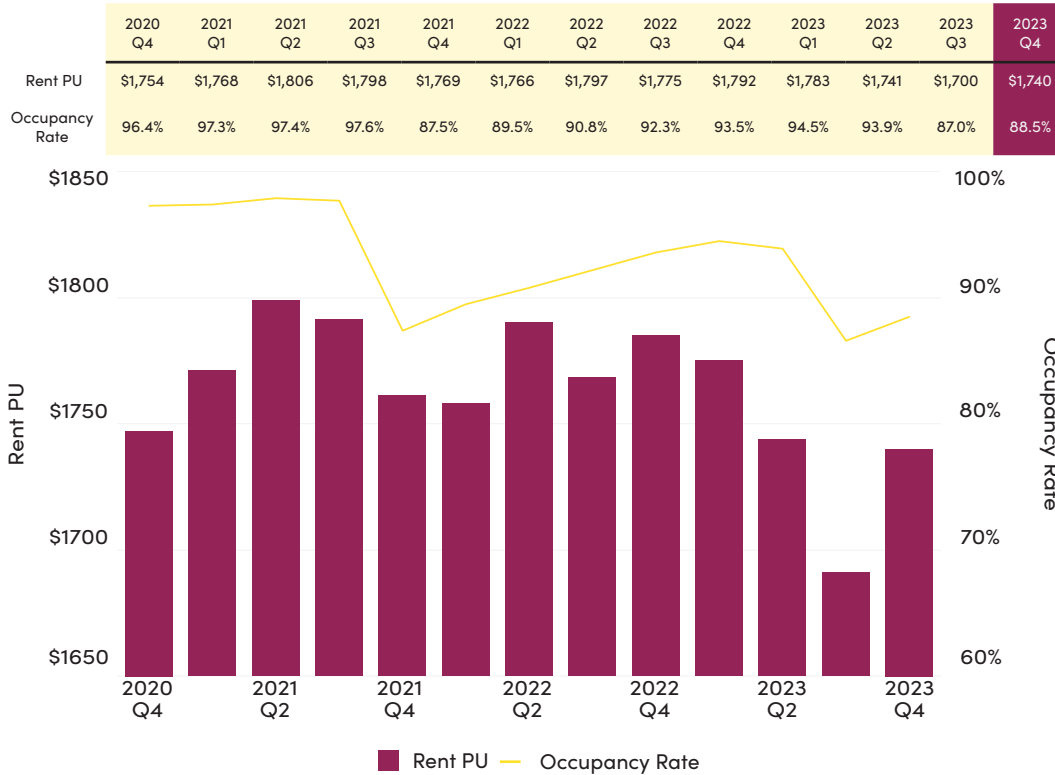
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Residential & Hotel

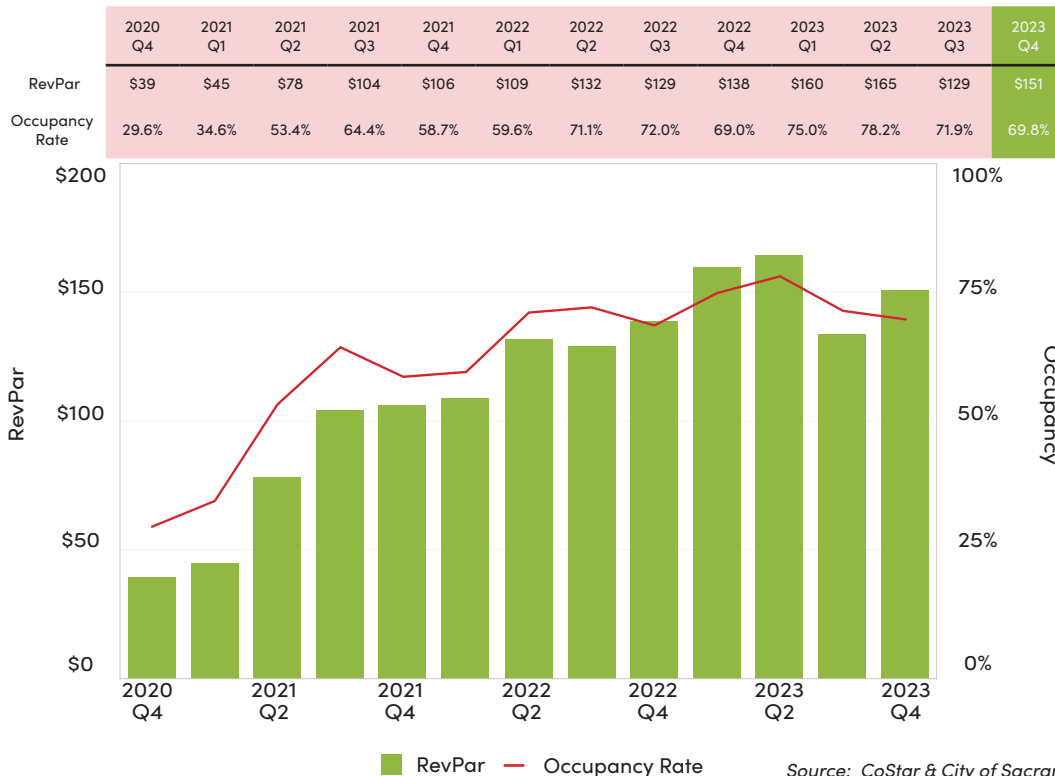
Residential Market

As we previously expected in our Q3 report, the residential sector of downtown is trending back upwards as the new developments find balance in the market along with older projects. Sacramento continues to prove that it is a destination professionals want to live in.



Hotel Market

The downtown Sacramento hotel market continues to hold strong. Q4 continues to see the trends of previous quarters as the Sacramento market continues to look for equilibrium amidst new hotels opening and events returning in the holiday months.



Source: CoStar & City of Sacramento

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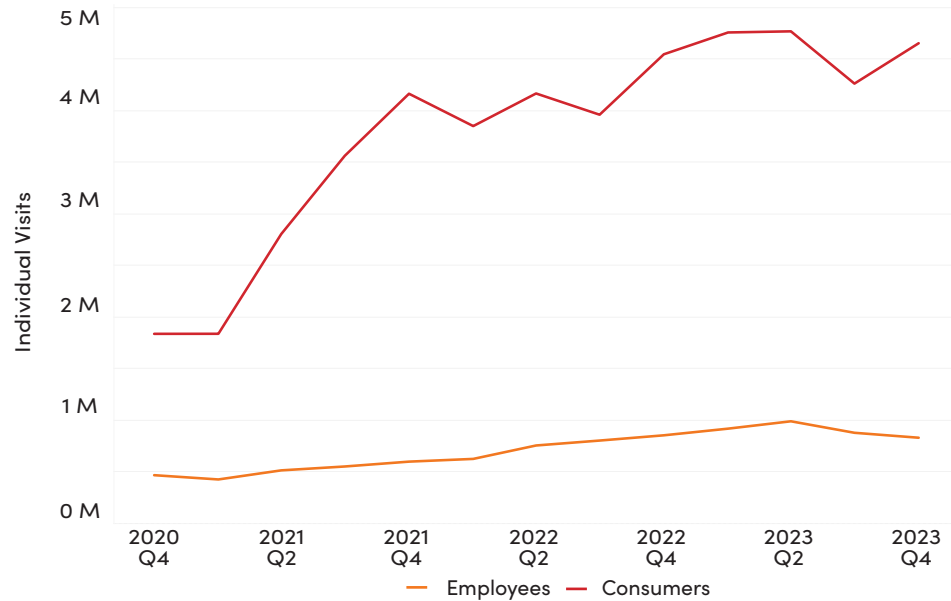
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Pedestrian Trends

Employees & Consumers

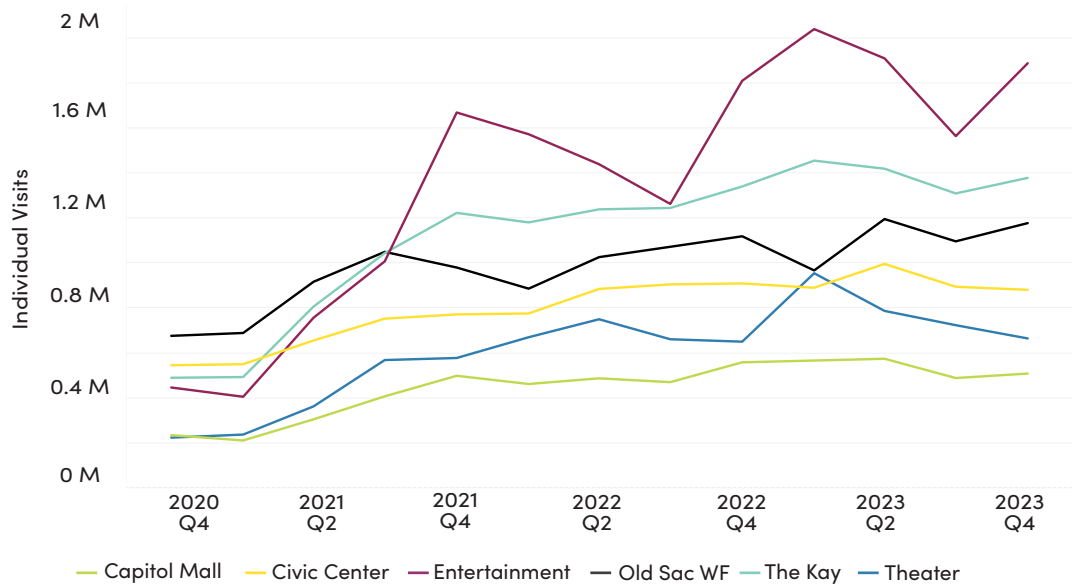
Downtown Sacramento visitation continues to surpass pre-pandemic levels. While worker visits dropped as a result of vacation time and shorter schedules, downtown saw a jump in visitation thanks to the return of the NBA season and holiday festivities in the city.

	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Employees	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	0.93 M	0.88 M	0.84 M
Consumers	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	4.65 M	4.26 M	4.66 M



Pedestrians by District

	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Cap Mall	0.24 M	0.22 M	0.32 M	0.42 M	0.51 M	0.48 M	0.51 M	0.47 M	0.54 M	0.54 M	0.51 M	0.45 M	0.51 M
Civic Center	0.48 M	0.48 M	0.60 M	0.68 M	0.73 M	0.74 M	0.84 M	0.84 M	0.84 M	0.82 M	0.93 M	0.86 M	0.88 M
Entertainment	0.45 M	0.41 M	0.78 M	1.03 M	1.73 M	1.65 M	1.47 M	1.27 M	1.76 M	1.98 M	1.85 M	1.56 M	1.89 M
Old Sac WF	0.67 M	0.70 M	0.95 M	1.07 M	1.01 M	0.91 M	1.04 M	1.06 M	1.08 M	0.93 M	1.15 M	1.09 M	1.18 M
The Kay	0.42 M	0.43 M	0.73 M	0.97 M	1.16 M	1.14 M	1.13 M	1.09 M	1.16 M	1.26 M	1.23 M	1.23 M	1.38 M
Theater	0.23 M	0.23 M	0.38 M	0.58 M	0.59 M	0.70 M	0.75 M	0.65 M	0.62 M	0.93 M	0.74 M	0.70 M	0.66 M



Source: Placer.AI

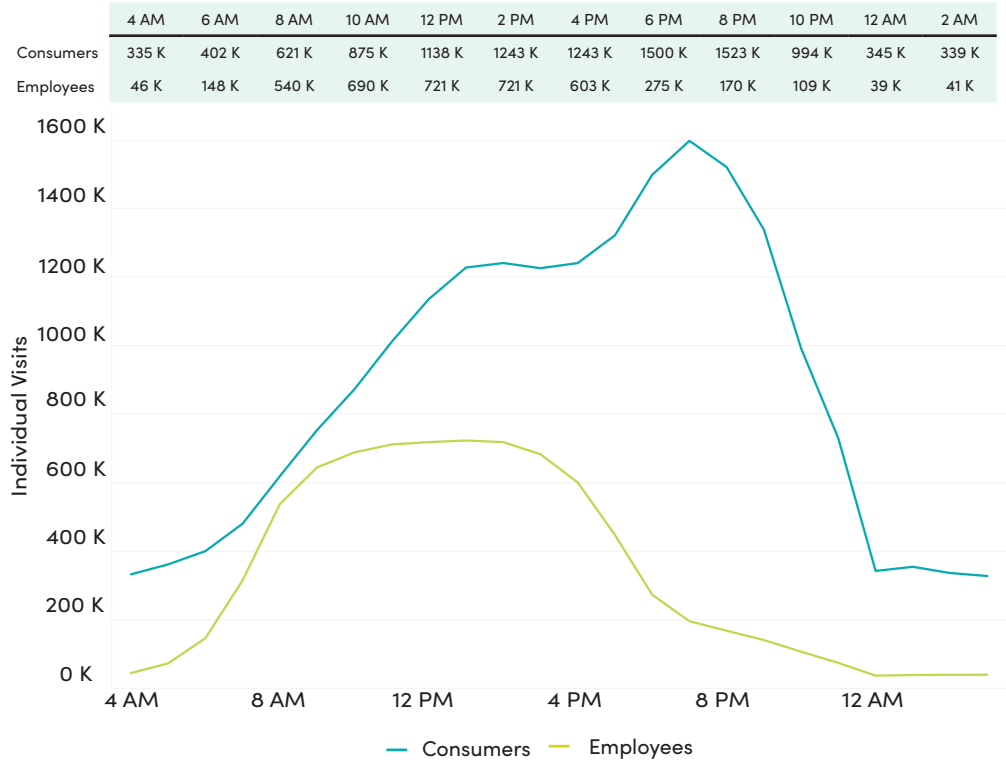
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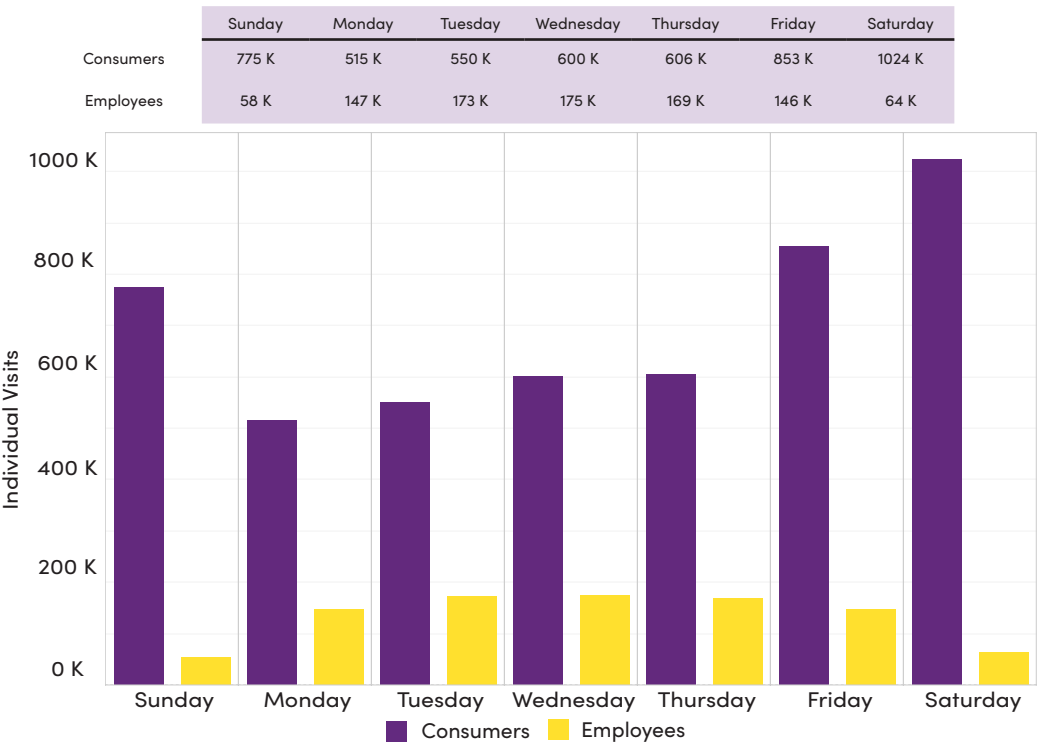
Consumer Trends

Q4 Visits by Hour

Weekend and evening visitation continues to serve as strong drivers of overall pedestrian traffic in Downtown Sacramento.



Q4 Visits by Day of the Week



Source: Placer.AI

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Managing Downtown

The Field & Maintenance Services team works seven days a week to make the region's downtown neighborhoods some of the cleanest and safest in the area.

Downtown Q4 2023



321
UNHOUSED PEOPLE
CONTACTED



2,037
HOURS WORKED



18,385
PUBLIC SAFETY
ASSISTS



11,589
BLOCKS POWERWASHED



1,924
PIECES OF GRAFFITI
REMOVED

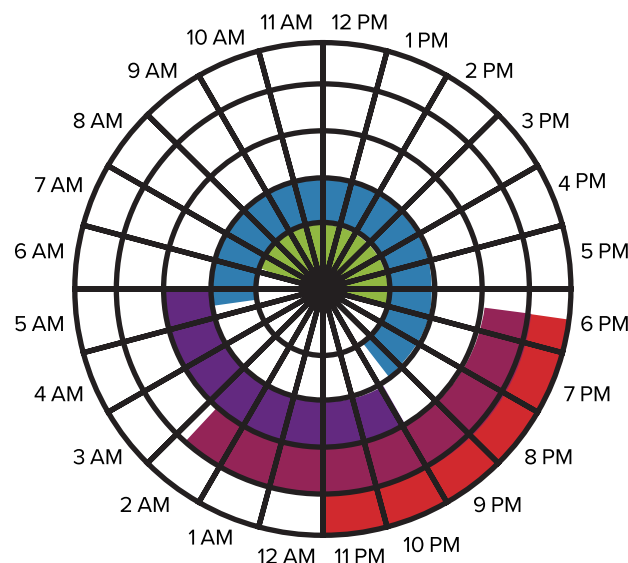


26,545
CALLS FOR SERVICE



812,710

PIECES OF GARBAGE REMOVED



24 Hour Service

- GUIDES
- MAINTENANCE
- OSW SECURITY
- OSW OVERNIGHT SECURITY
- JKL SECURITY

Who to Call?

DSP FIELD SERVICES:
916-442-2200

NON-EMERGENCY POLICE:
916-808-5471

EMERGENCY:
911

CITY ISSUES:
311

Information based on calls for service or activity for Q4 2023

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GUIDES
916-442-2200

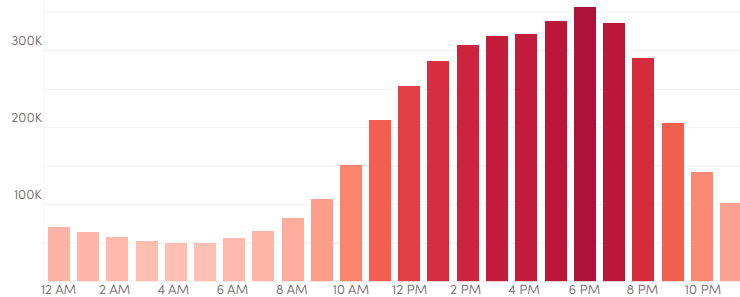

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Life on the Water

Q4 2023

Old Sacramento Waterfront, the Historic Landmark District to California's state capital, is a bustling neighborhood filled with shopping, dining, and exploring options for everyone. Whether you're looking for a night out, shopping for the perfect gift, visiting a museum, exploring the underground city, or attending one of the many monthly events hosted at the waterfront, there is always a wide variety for you to choose from.

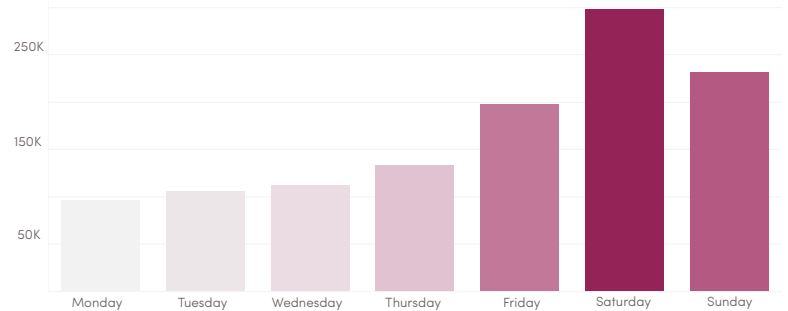


Hourly Pedestrians

Weekends & Afternoons
Prime Time

DOTW Pedestrians

1.2 M
Pedestrians
in Q4



Source: PlacerAi

Retail Market

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



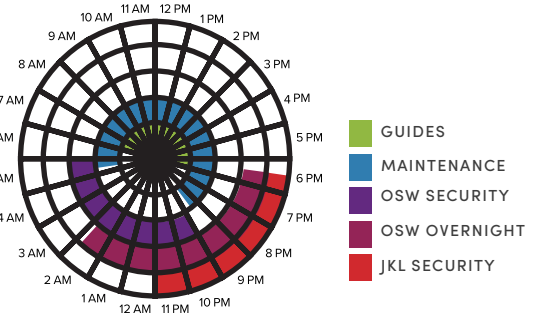
Food & Beverage
Services
Shopping
Entertainment
Hotel
Health & Wellness

33%

of Retail Businesses in OSW are for Shopping

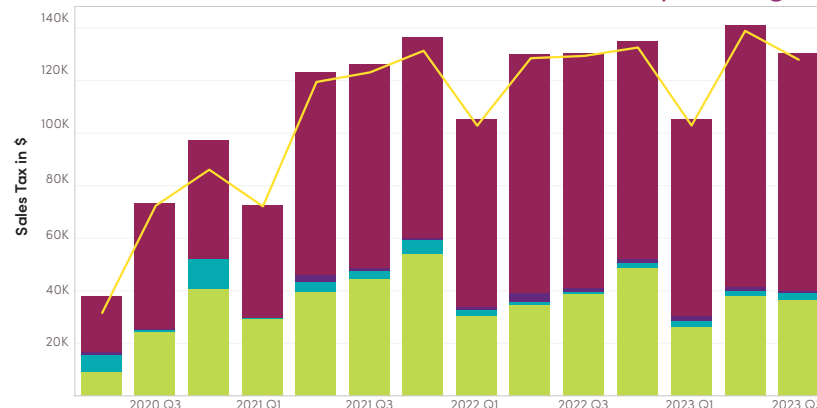
24 Hour Clean & Safe

DSP FIELD SERVICES: 916-442-2200



GUIDES
MAINTENANCE
OSW SECURITY
OSW OVERNIGHT
JKL SECURITY

Old Sacramento Waterfront Sales Tax by Category



103%

Sales Tax Growth from Q3 2022

Consumer Spending
Non-Consumer Spending
Accommodations and Food
Arts, Entertainment, and Culture
Retail Trade
Source: City of Sacramento

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