

Downtown Sacramento Market Report

Q4 2022



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PARTNERSHIP

DowntownSac.org/DoBusiness

916-442-8575

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Thriving Downtown

Q4 2022

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.

	.5 Mile	1 mi
Population	6,785	20,423
Average Age	41	39
Households	3,347	11,719

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

73%
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

16¢
generated per
visitor

74%
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.



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.)	6,919,805	2,344,313	934,914	2,372,092
Vacancy Rate	23.1%	11.9%	20.9%	31.0%
Rental Rate per (sq. ft.)	\$3.21	\$3.42	\$3.02	\$3.22

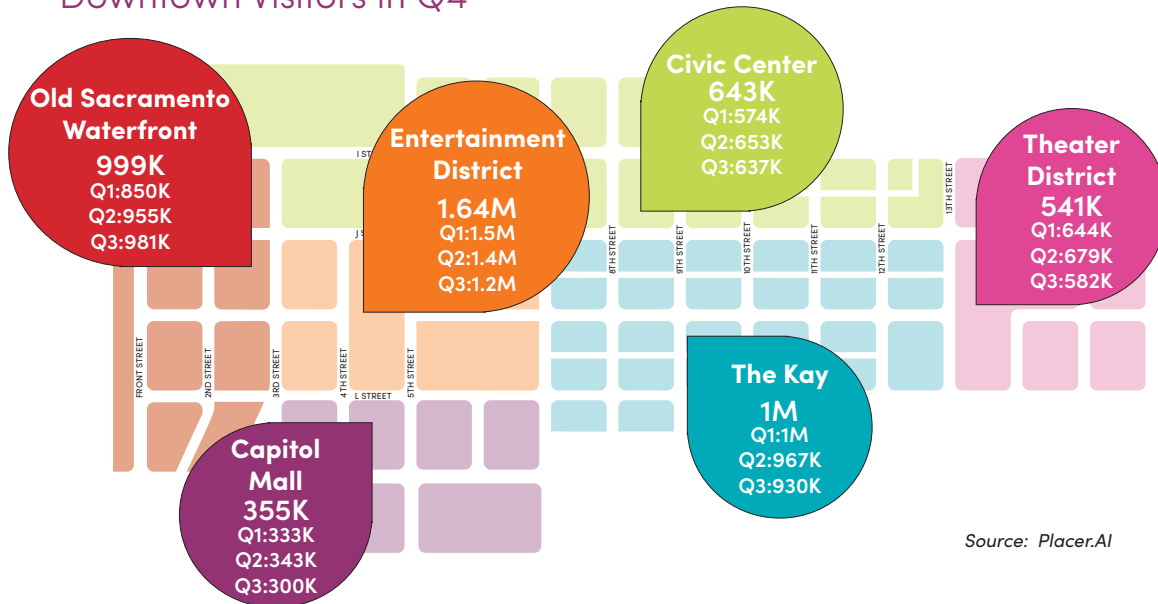
Source: CoStar Properties

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Updated January 2023

Downtown Visitors in Q4

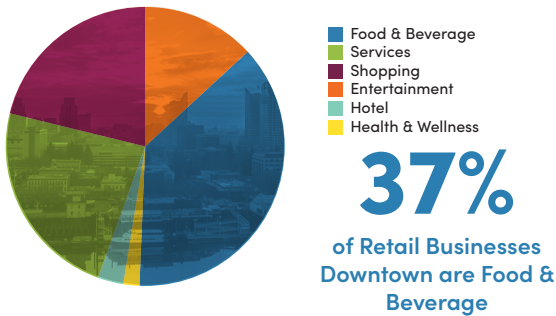


Source: Placer.AI

Retail Market

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

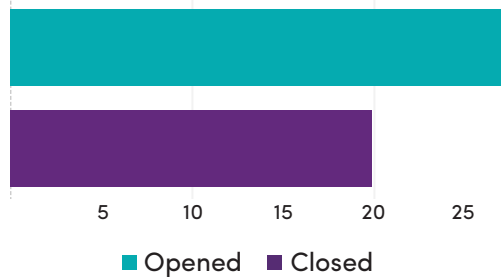
For a complete listing, visit
GoDowntownSac.com/explore



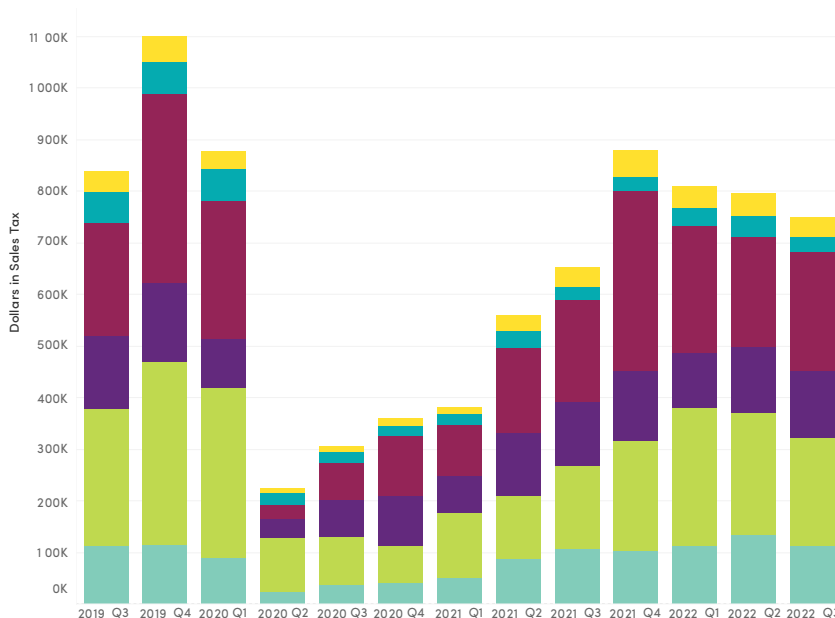
New Businesses Created

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

Opened and Closed Businesses in 2022



Sales Tax by District



89%
of Q2 2019 Sales Tax
Recovered

Source: City of Sacramento

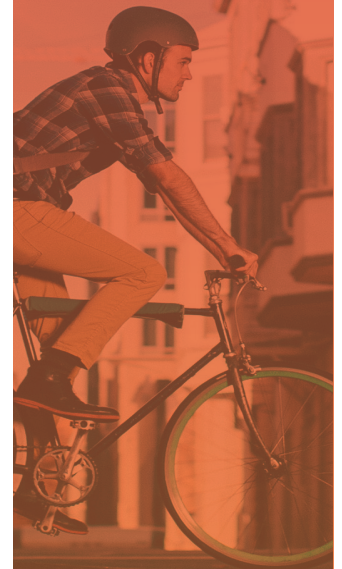


We're here
for you.

- 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

	2022 Q4	2021 Q4	2020 Q4	2019 Q4
Vacancy Rate	23.10%	20.30%	15.90%	13.30%
Office Base Rent	\$3.21	\$3.09	\$3.08	\$3.04
Leasing Activity SF Total	41,798	90,529	28,952	42,974
Net Absorption SF Total	-122,904	-202,745	-137,511	88,993

Retail Market

	2022 Q4	2021 Q4	2020 Q4	2019 Q4
Occupancy Rate	75.90%	78.00%	84.90%	85.00%
Retail Base Rent	\$3.31	\$3.14	\$3.12	\$2.99
Occupied SF	3,302,119	2,961,933	3,224,141	3,229,715

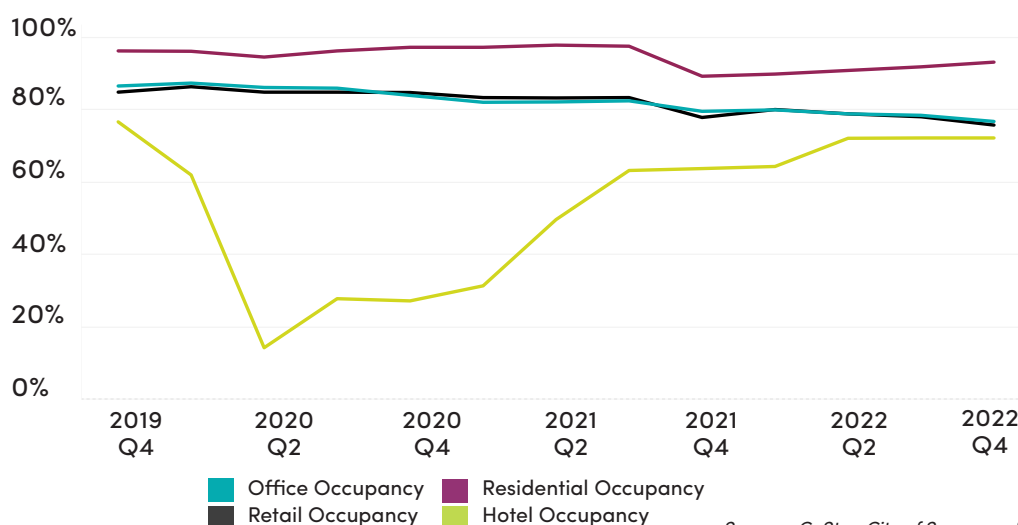
Residential Market

	2022 Q4	2021 Q4	2020 Q4	2019 Q4
Occupancy Rate	93.30%	89.40%	97.40%	96.40%
Average Rent PSF	\$2.63	\$2.63	\$2.57	\$2.58
Average Rent PU	\$1,688	\$1,681	\$1,643	\$1,649
Inventory Units	1,490	1,467	1,318	1,318

Hotel Market

	2022 Q3	2021 Q4	2020 Q4	2019 Q4
Occupancy Rate	72.34%	63.87%	27.30%	76.79%
RevPAR	\$130.90	\$132.70	\$34.10	\$123.80

Sacramento Markets Compared



Source: CoStar, City of Sacramento

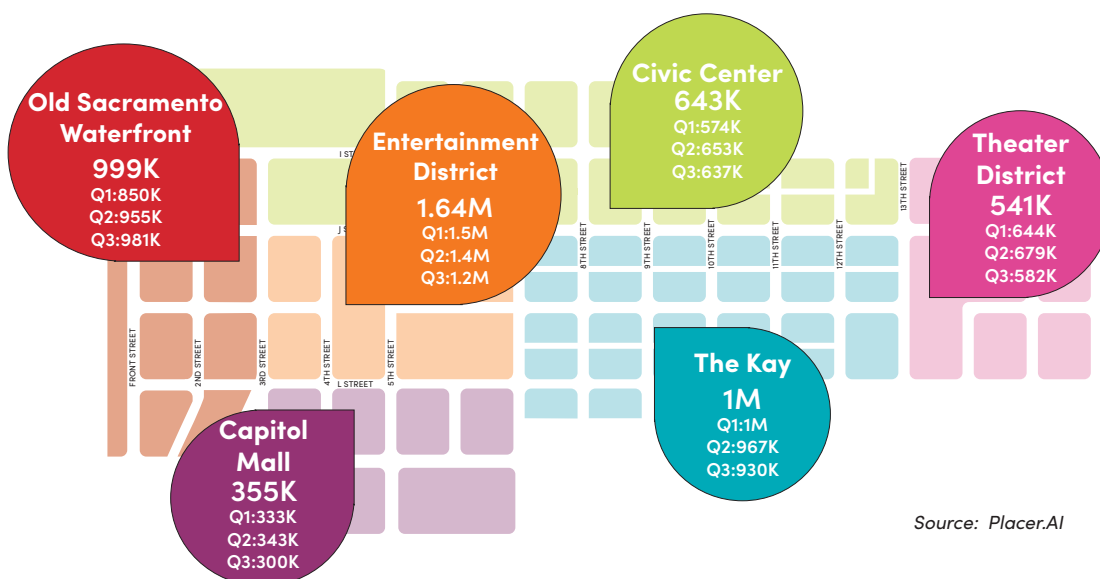
Q4 Visitors

Pedestrian Visits

	2022 Q4	2021 Q4	2020 Q4	2019 Q4
Downtown Sacramento	4,384,468	4,285,714	1,815,149	5,342,656
Capitol Mall	406,985	416,105	137,650	481,054
Civic Center	643,600	583,559	333,377	963,541
Entertainment District	1,641,576	1,628,666	394,931	1,902,369
Old Sac. Waterfront	999,454	957,532	636,057	1,079,747
The Kay District	1,005,423	1,060,429	358,186	1,382,142
Theater District	541,136	539,925	173,180	649,422

Employee Visits

	2022 Q4	2021 Q4	2020 Q4	2019 Q4
Downtown Sacramento	812,228	621,998	481,740	1,697,355
Capitol Mall	130,314	98,588	97,870	405,789
Civic Center	192,999	152,055	144,879	399,985
Entertainment District	115,231	97,333	52,941	112,841
Old Sac. Waterfront	77,110	54,630	34,291	95,459
The Kay District	158,168	102,830	57,586	362,413
Theater District	77,957	51,925	52,227	220,887



Source: Placer.AI

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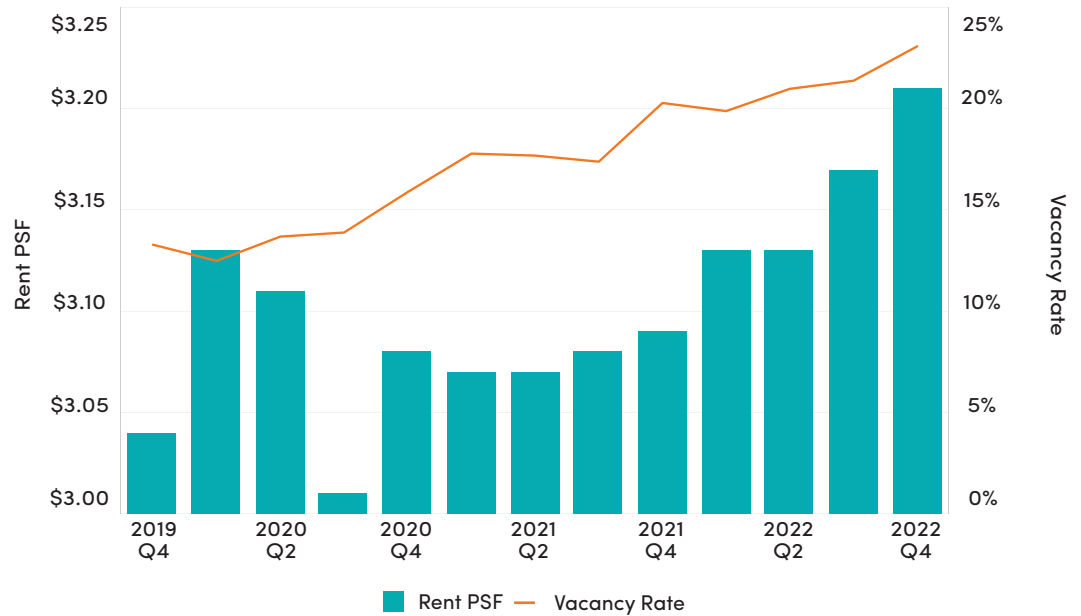
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Office & Retail

Office Market

Downtown Sacramento's office market has seen increased vacancy rates over the last two quarters as employers continue to adjust footprints, however asking rates continue their gradual upward trend.

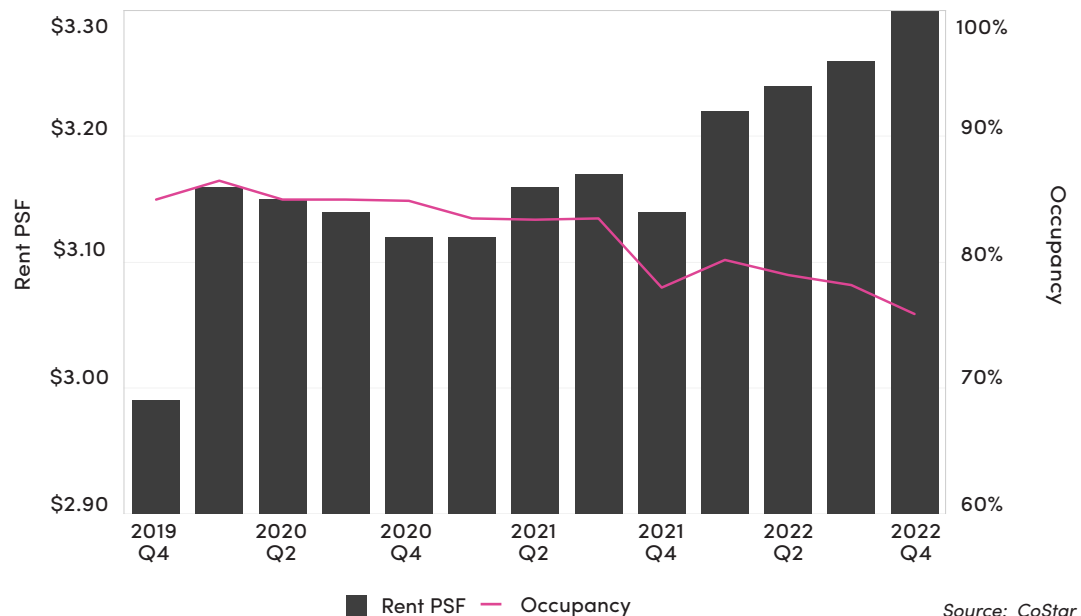
	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Rent PSF	\$3.04	\$3.13	\$3.11	\$3.01	\$3.08	\$3.07	\$3.07	\$3.08	\$3.09	\$3.13	\$3.13	\$3.17	\$3.21
Vacancy Rate	13.3%	12.5%	13.7%	13.9%	15.9%	17.8%	17.7%	17.4%	20.3%	19.9%	21.0%	21.4%	23.1%



Retail Market

Rebounding pedestrian activity in the core coupled with strong 4th quarter consumer spending helped maintain relative stability through a lack of daytime employment for the Downtown retail market with regards to both occupancy rates and asking rents.

	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
Rent PSF	\$2.99	\$3.16	\$3.15	\$3.14	\$3.12	\$3.12	\$3.16	\$3.17	\$3.14	\$3.22	\$3.24	\$3.26	\$3.31
Occupancy Rate	85.0%	86.5%	85.0%	85.0%	84.9%	83.5%	83.4%	83.5%	78.0%	80.2%	79.0%	78.2%	75.9%



Source: CoStar

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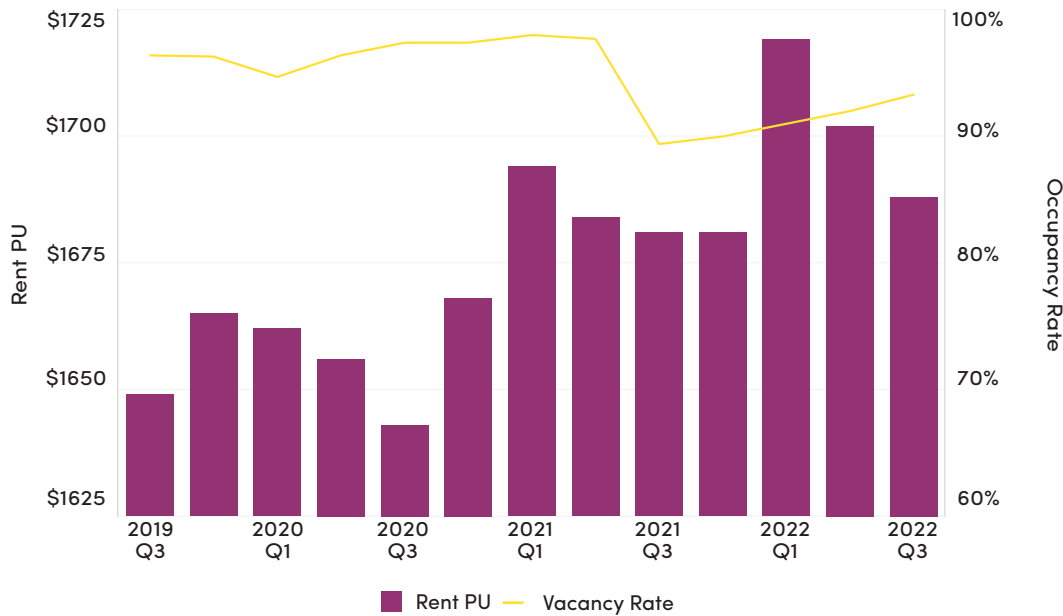
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Residential & Hotel

Residential Market

Occupancy rates climbed during the 4th quarter as new inventory continued to be absorbed; the Downtown Sacramento submarket outperformed all other regional submarkets in the second half of 2022.

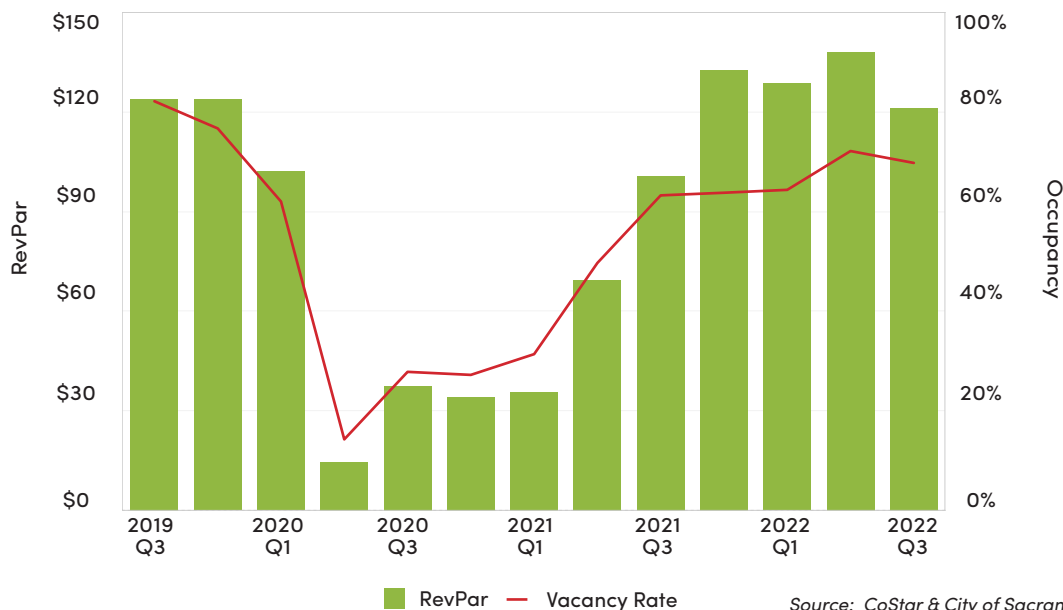
	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Rent PU	\$1,649	\$1,665	\$1,662	\$1,656	\$1,643	\$1,668	\$1,694	\$1,684	\$1,681	\$1,681	\$1,719	\$1,702	\$1,688
Occupancy Rate	96.4%	96.3%	94.7%	96.4%	97.4%	97.4%	98.0%	97.7%	89.4%	90.0%	91.0%	92.0%	93.3%



Hotel Market

While Q3 hotel occupancy numbers and revenue per available room declined modestly, the Downtown hospitality sector as a whole has rebounded significantly since 2020 with the return of large-scale events and a surging social economic sector.

	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3
RevPar	\$124	\$124	\$102	\$15	\$37	\$34	\$36	\$69	\$101	\$133	\$129	\$138	\$121
Occupancy Rate	82.2%	76.8%	62.1%	14.4%	27.9%	27.3%	31.5%	49.8%	63.4%	63.9%	64.5%	72.3%	69.9%



Source: CoStar & City of Sacramento

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Pedestrian Trends

Employees & Visitors

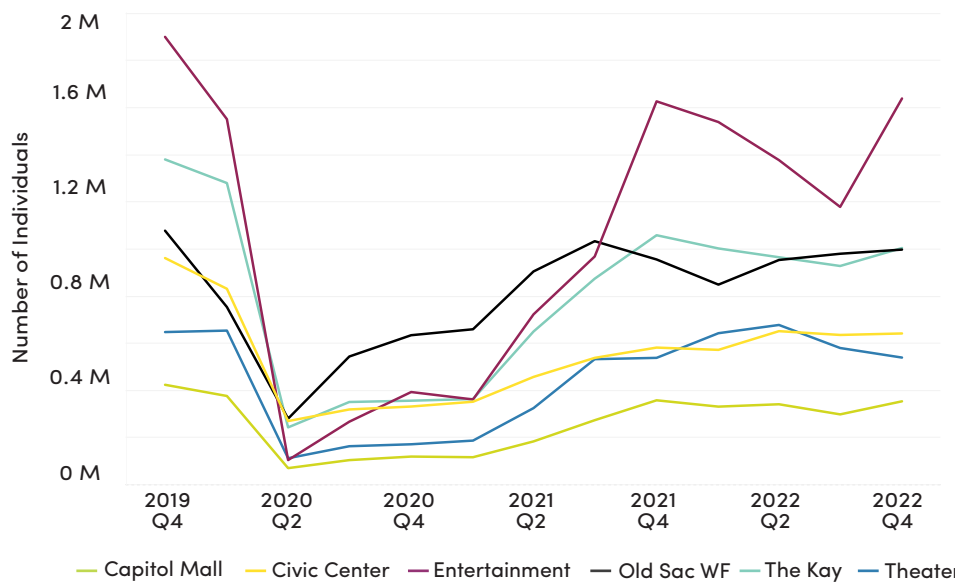
Downtown Sacramento's visitation in 2022 yielded a 30% increase over 2021 signifying continued stabilization, employee visitation remains less than half of 2019's employee population.

	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
Employees	1.70 M	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
Visitors	5.34 M	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



Pedestrians by District

	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
Cap Mall	0.43 M	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
Civic Center	0.96 M	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
Entertainment	1.90 M	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
Old Sac WF	1.08 M	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
The Kay	1.38 M	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
Theater	0.59 M	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



Source: Placer.AI

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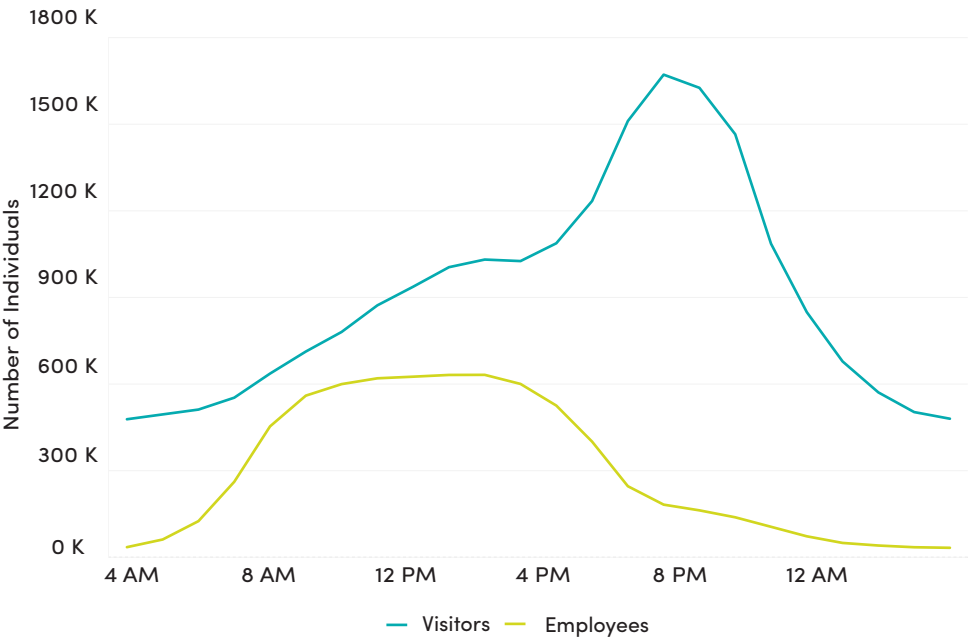
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Consumer Trends

Q4 Visits by Hour

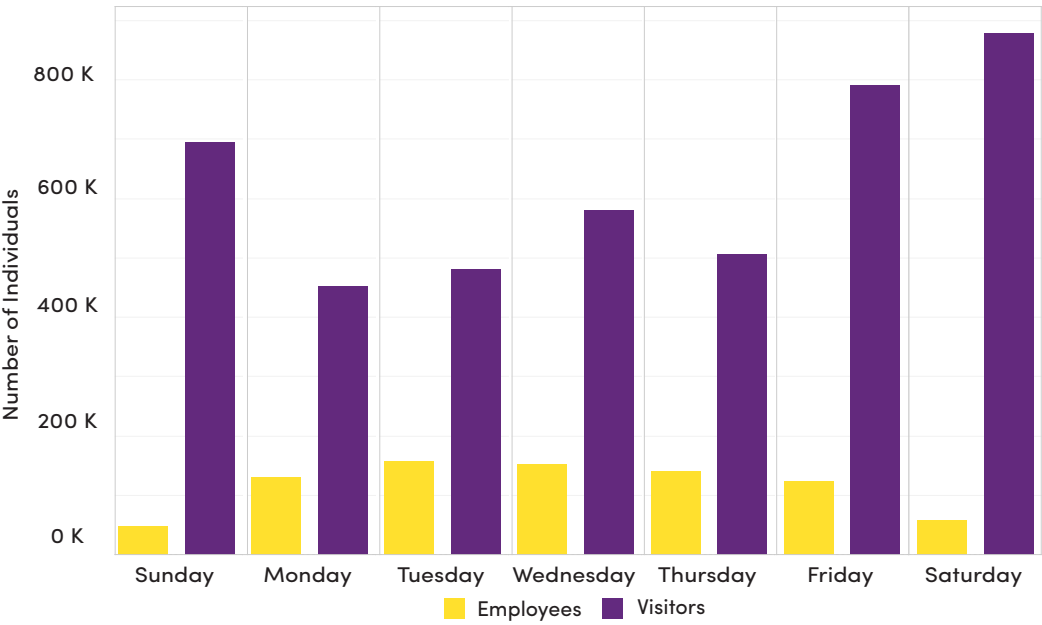
An analysis of visitation by hour demonstrates the “new 9 to 5” in Downtown Sacramento, ripe for continued strategic investment in the creative economy and the hospitality sector.

	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	480 K	513 K	638 K	782 K	939 K	1033 K	1089 K	1513 K	1628 K	1088 K	680 K	573 K
Employees	37 K	127 K	455 K	601 K	633 K	633 K	527 K	247 K	164 K	107 K	51 K	36 K



Q4 Visits by Day of the Week

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Visitors	694 K	452 K	488 K	482 K	580 K	791 K	880 K
Employees	48 K	132 K	158 K	152 K	142 K	123 K	58 K



Source: Placer.AI





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