

Downtown Sacramento Market Report

Q1 2024



downtown
SACRAMENTO
PARTNERSHIP

DowntownSac.org/DoBusiness

916-442-8575

DSP@downtownsac.org

Thriving Downtown

Q1 2024

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.

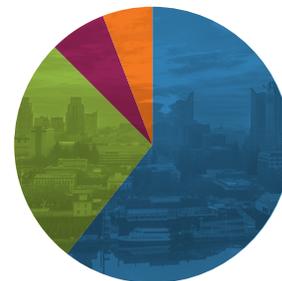
Downtown Demographics

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

	1 Mile	2 mi
Population	24,935	64,709
Average Age	40	39
Households	12,050	30,364

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

60%
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.



76%

hotel occupancy

Source: City of Sacramento

22¢

generated per
visitor

87%

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.)	7,084,397	2,397,784	954,278	2,427,687
Vacancy Rate	23.4%	11.8%	20.0%	34.8%
Rental Rate per (sq. ft.)	\$3.17	\$3.41	\$3.04	\$3.09

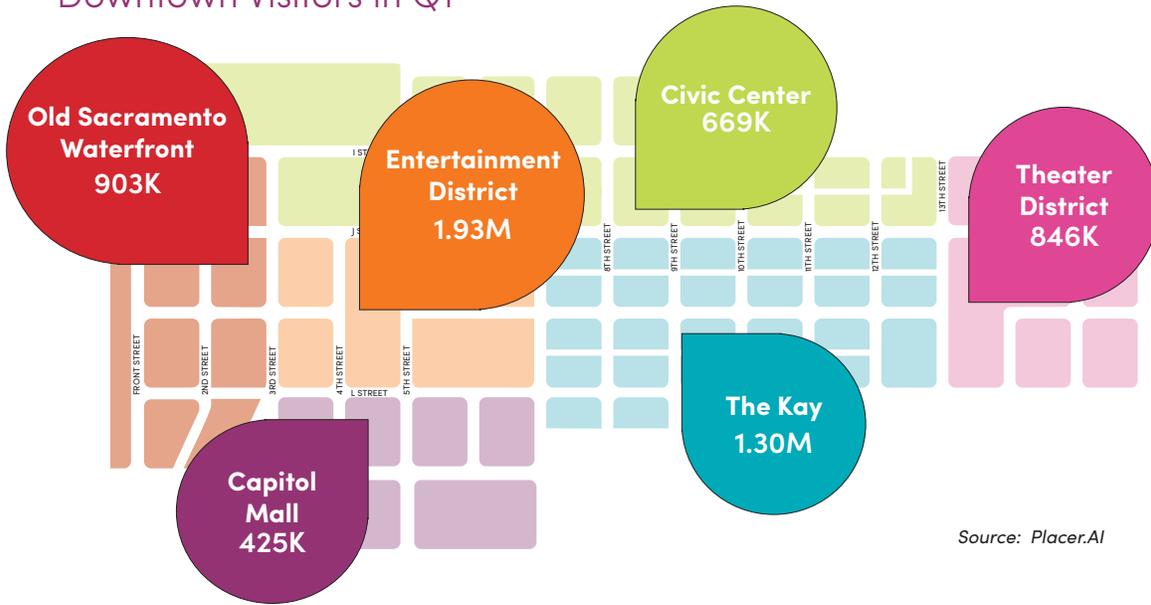
Source: CoStar Properties

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Updated April 2024

Downtown Visitors in Q1

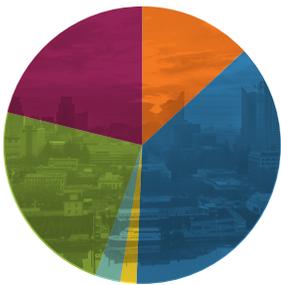


Source: Placer.AI

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



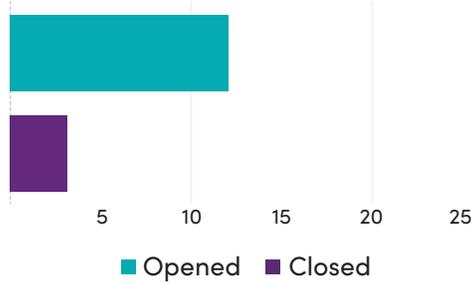
Food & Beverage
Services
Shopping
Entertainment
Hotel
Health & Wellness

37%
of Retail Businesses
Downtown are Food &
Beverage

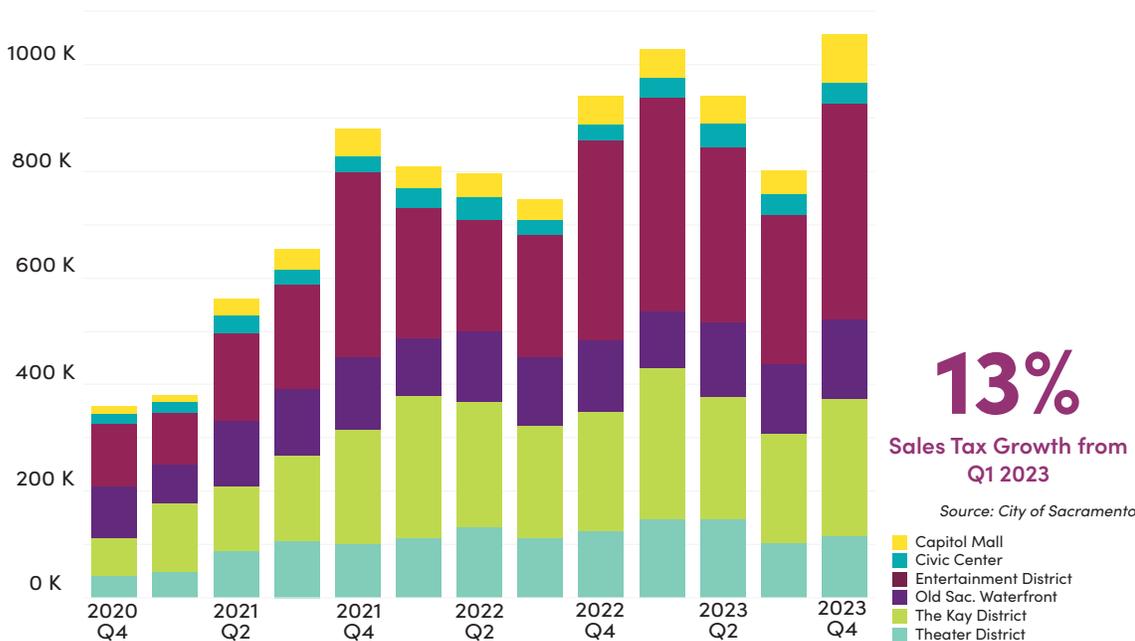
New Businesses Created

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

Opened and Closed Businesses in 2024



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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Q1 Occupancy

Office Market

	2024 Q1	2023 Q1	2022 Q1	2021 Q1
Vacancy Rate	23.40%	24.20%	19.90%	17.80%
Office Base Rent	\$3.17	\$3.18	\$3.13	\$3.07
Leasing Activity SF Total	79,460	4,977	53,333	22,513
Net Absorption SF Total	47,022	-55,331	32,143	-129,343

Retail Market

	2024 Q1	2023 Q1	2022 Q1	2021 Q1
Occupancy Rate	63.40%	75.60%	79.60%	82.40%
Retail Base Rent	\$3.01	\$3.20	\$3.17	\$3.07
Occupied SF	1,420,856	4,035,990	4,035,990	4,035,990

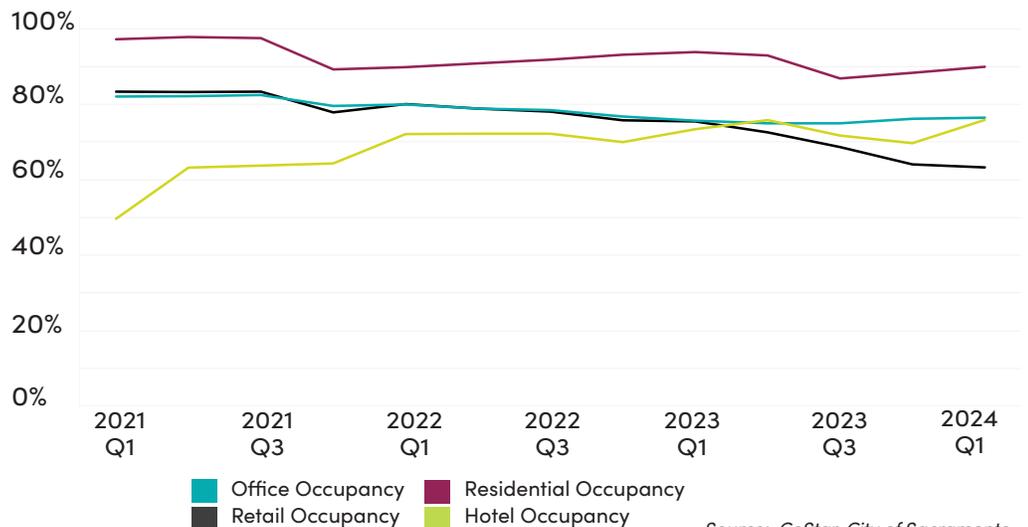
Residential Market

	2024 Q1	2023 Q1	2022 Q1	2021 Q1
Occupancy Rate	90.10%	94.00%	90.00%	97.40%
Average Rent PSF	\$2.69	\$2.64	\$2.63	\$2.61
Average Rent PU	\$1,777	\$1,701	\$1,681	\$1,668
Inventory Units	1,633	1,503	1,467	1,318

Hotel Market

	2024 Q1	2022 Q1	2022 Q1	2021 Q1
Occupancy Rate	76.00%	72.17%	64.46%	31.46%
RevPAR	\$163.27	\$129.17	\$128.50	\$35.60

Sacramento Markets Compared



Source: CoStar, City of Sacramento

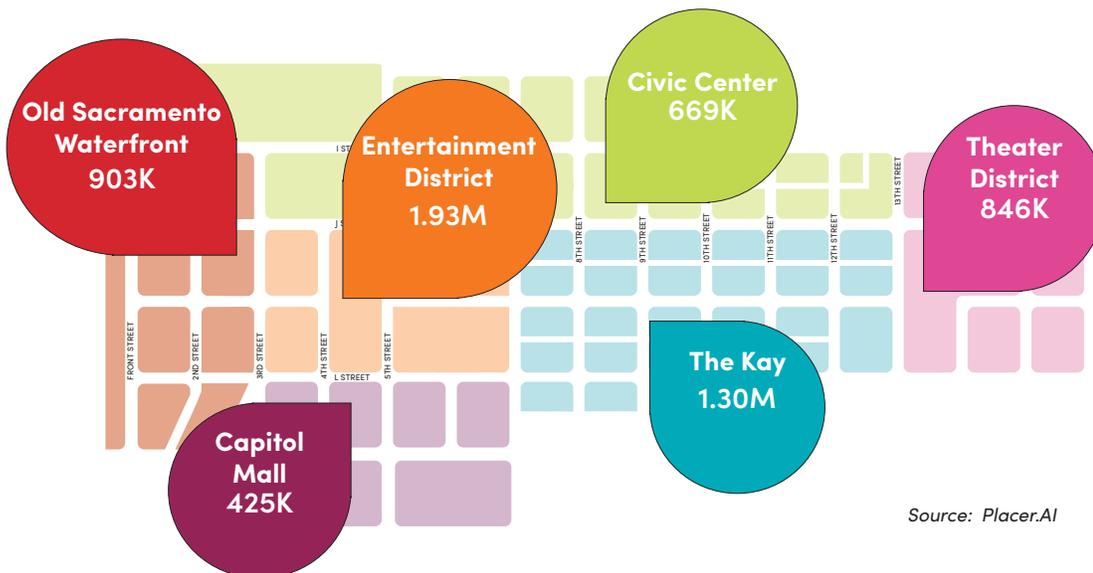
Q1 Visitors

Pedestrian Visits

	2024 Q1	2023 Q1	2022 Q1	2021 Q1
Downtown Sacramento	4,845,247	4,629,840	3,990,353	1,859,126
Capitol Mall	424,937	396,097	385,004	137,661
Civic Center	668,859	616,166	573,887	353,748
Entertainment District	1,929,482	1,867,869	1,540,805	363,408
Old Sac. Waterfront	903,489	851,409	850,789	661,367
The Kay District	1,301,897	1,084,700	1,004,306	365,134
Theater District	846,277	834,563	644,608	188,775

Employee Visits

	2024 Q1	2023 Q1	2022 Q1	2021 Q1
Downtown Sacramento	917,711	878,203	690,585	432,184
Capitol Mall	156,290	142,687	99,439	82,130
Civic Center	206,618	204,867	169,262	129,901
Entertainment District	102,656	117,985	105,664	49,862
Old Sac. Waterfront	74,984	76,167	63,381	39,442
The Kay District	223,168	176,753	137,238	63,395
Theater District	97,472	94,850	54,492	42,261



Source: Placer.AI

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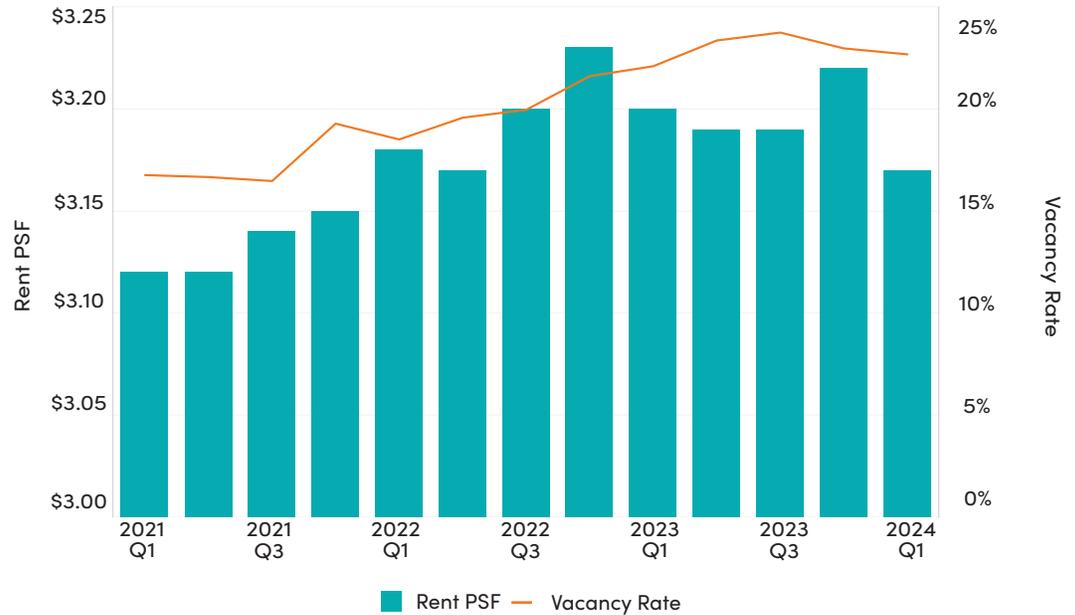
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Office & Retail

Office Market

Office vacancy rates have begun to stabilize as offices a new market equilibrium is found. The post-pandemic office market illustrates a needed balance between hybrid work models and tenants' preference of quality, commute-worthy properties.

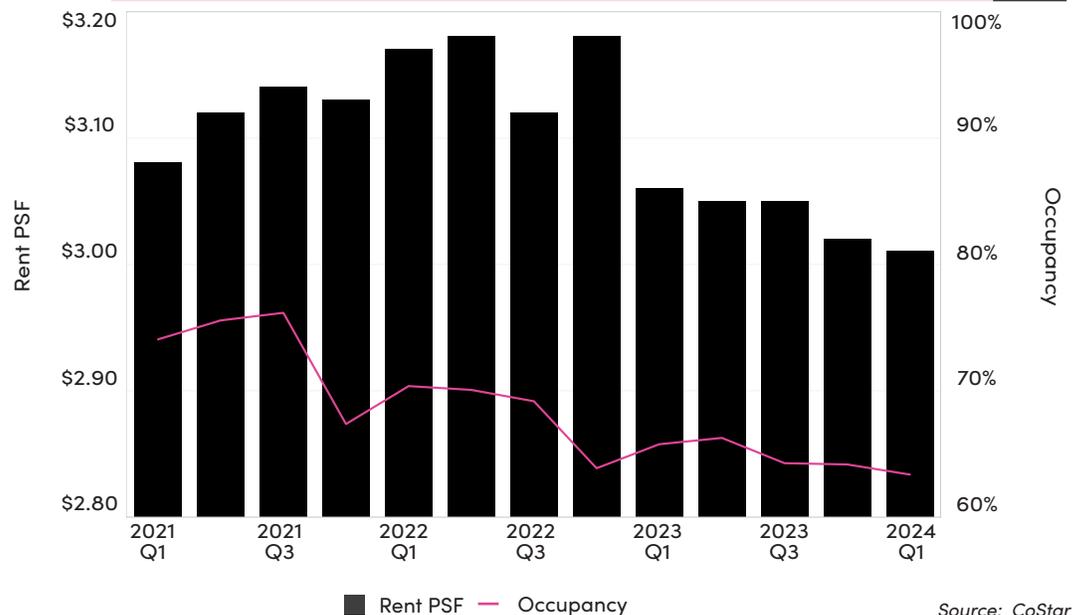
	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Rent PSF	\$3.12	\$3.12	\$3.14	\$3.15	\$3.18	\$3.17	\$3.20	\$3.23	\$3.20	\$3.19	\$3.19	\$3.22	\$3.17
Vacancy Rate	17.5%	17.4%	17.2%	20.1%	19.3%	20.4%	20.8%	22.6%	23.3%	24.1%	24.5%	23.7%	23.4%



Retail Market

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

	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Rent PSF	\$3.08	\$3.12	\$3.14	\$3.13	\$3.17	\$3.18	\$3.12	\$3.18	\$3.06	\$3.05	\$3.05	\$3.02	\$3.01
Occupancy Rate	74.1%	75.6%	76.2%	67.4%	70.4%	70.1%	69.2%	63.9%	65.8%	66.3%	64.3%	64.2%	63.4%



Source: CoStar

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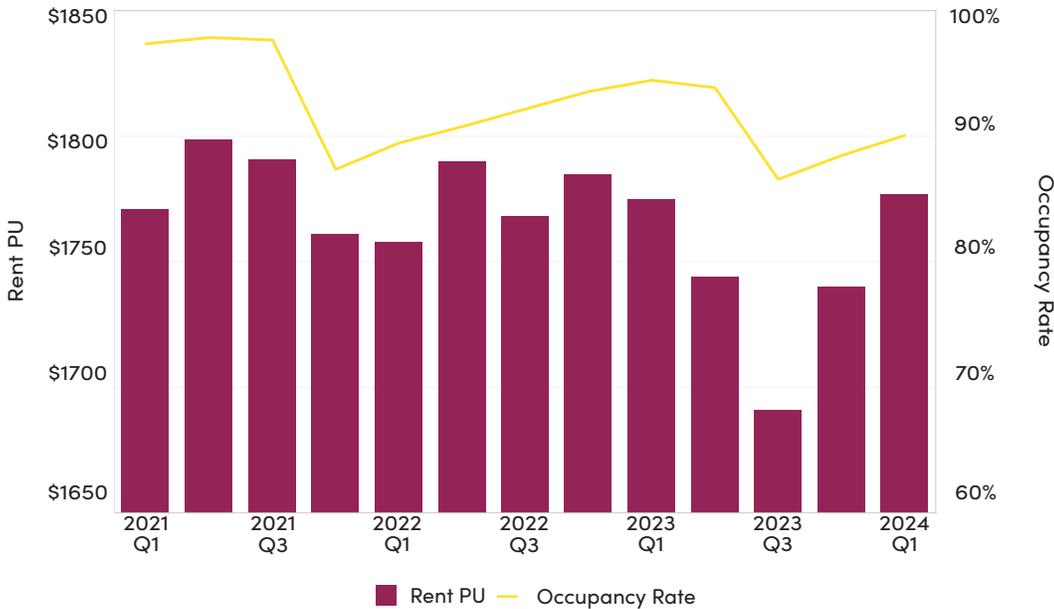
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Residential & Hotel

Residential Market

As we predicted in previous reports, the residential market continues its upward trend as newly opened residential spaces are bought up and filled by the increased workers downtown looking to be closer to their work spaces again.

	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Rent PU	\$1,771	\$1,799	\$1,791	\$1,761	\$1,758	\$1,790	\$1,768	\$1,785	\$1,775	\$1,744	\$1,691	\$1,740	\$1,777
Occupancy Rate	97.4%	97.9%	97.7%	87.4%	89.5%	90.8%	92.2%	93.6%	94.5%	93.9%	86.6%	88.5%	90.1%



Hotel Market

The downtown Sacramento hotel market continues to hold strong. Revenue Per Available Room has been rebounding with the return of basketball downtown - hotel strength during on-seasons continues to support the influence of the Golden 1 Center on downtown's health.

	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
RevPar	\$45	\$78	\$104	\$106	\$109	\$132	\$129	\$138	\$160	\$165	\$129	\$151	\$163
Occupancy Rate	34.6%	53.4%	64.4%	58.7%	59.6%	71.1%	72.0%	69.0%	75.0%	78.2%	71.9%	69.8%	75.6%



Source: CoStar & City of Sacramento



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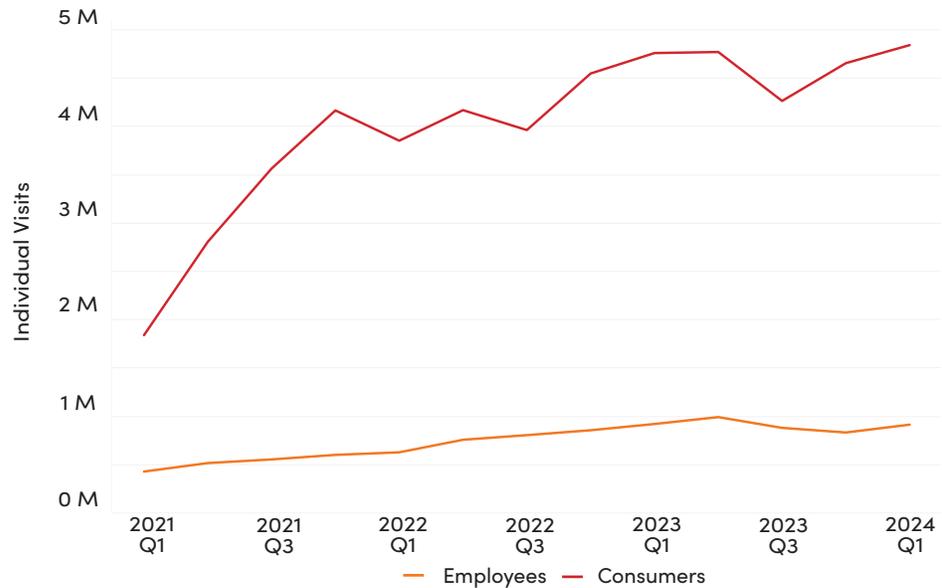
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Pedestrian Trends

Employees & Consumers

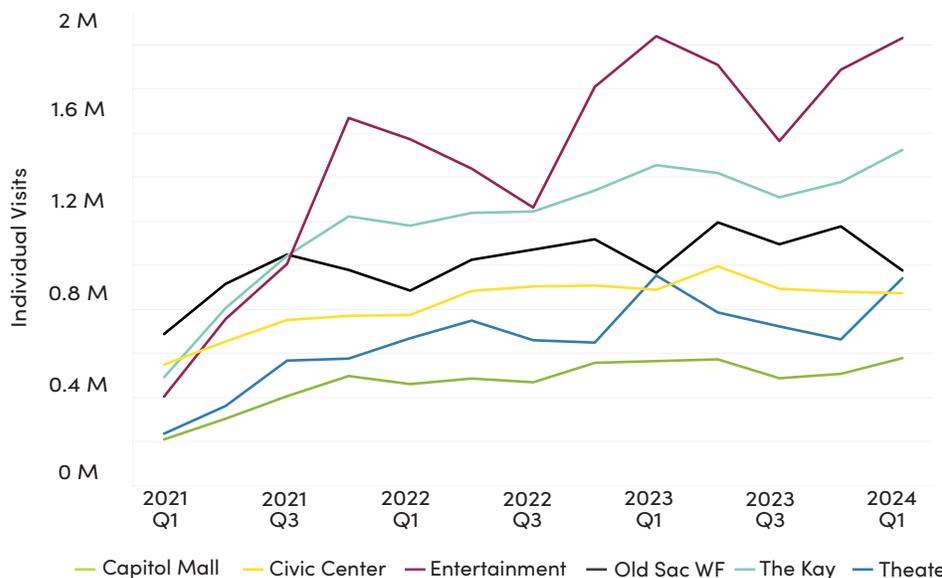
Downtown Sacramento visitation continues to surpass pre-pandemic levels. The effects of the Kings and the resurgence of night life continues to bring consumers back night after night.

	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Employees	0.43 M	0.52 M	0.56 M	0.60 M	0.63 M	0.76 M	0.81 M	0.86 M	0.92 M	0.99 M	0.88 M	0.84 M	0.92 M
Consumers	1.84 M	2.81 M	3.57 M	4.17 M	3.85 M	4.17 M	3.97 M	4.55 M	4.76 M	4.77 M	4.26 M	4.66 M	4.84 M



Pedestrians by District

	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Cap Mall	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	0.58 M	0.45 M
Civic Center	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	0.8 M	0.87 M
Entertainment	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	2.03 M
Old Sac WF	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	0.98 M
The Key	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	1.52 M
Theater	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	0.94 M



Source: Placer.AI

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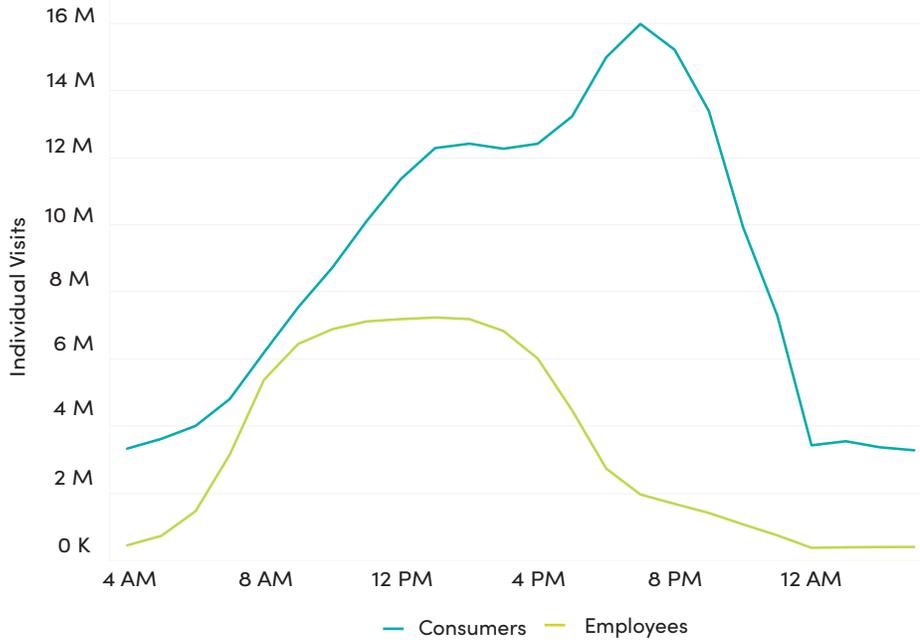
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Consumer Trends

Q1 Visits by Hour

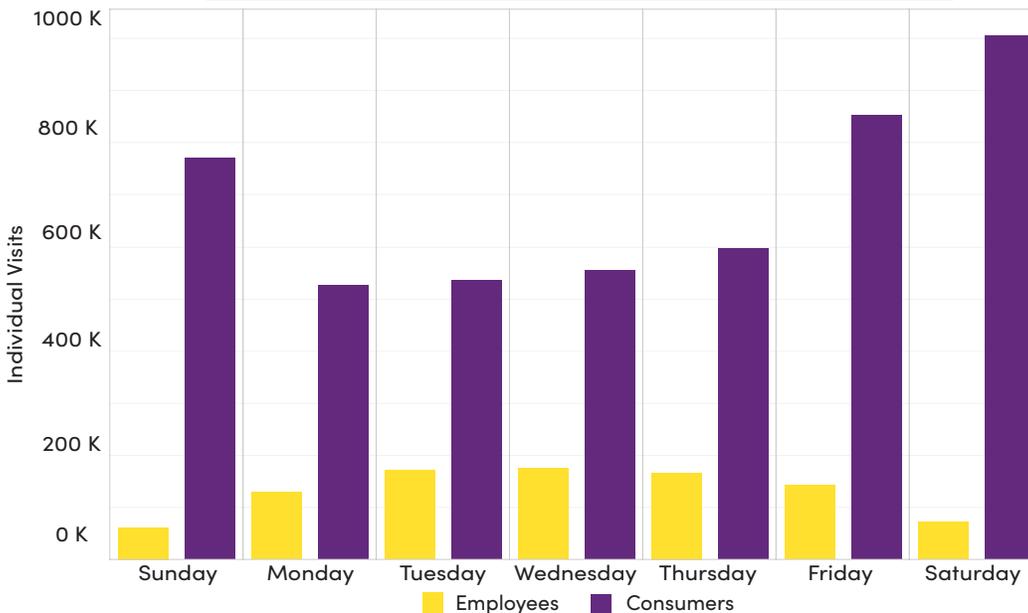
Weekend and evening visitation continues to serve as strong drivers of overall pedestrian traffic in Downtown Sacramento. Worker visits continue to increase, but the pace is not fast enough to support a daytime economy.

	4 AM	6 AM	8 AM	10 AM	12 PM	2 PM	4 PM	6 PM	8 PM	10 PM	12 AM	2 AM
Consumers	3.35 M	4.02 M	6.21 M	8.75 M	11.4 M	12.4 M	12.4 M	15.0 M	15.2 M	9.94 M	3.45 M	3.39 M
Employees	.46 M	1.48 M	5.40 M	6.91 M	7.21 M	7.21 M	6.03 M	2.75 M	1.70 M	1.09 M	.39 M	.41 M



Q1 Visits by Day of the Week

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Consumers	771 K	526 K	535 K	554 K	596 K	854 K	1006 K
Employees	61 K	129 K	171 K	175 K	166 K	141 K	71 K



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 Q1 2024



389
UNHOUSED PEOPLE
CONTACTED



2,037
HOURS WORKED



13,176
PUBLIC SAFETY
ASSISTS



11,589
BLOCKS POWERWASHED



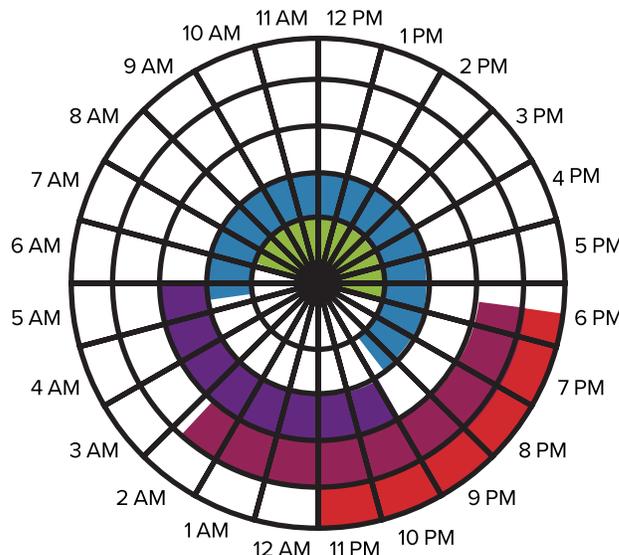
1,924
PIECES OF GRAFFITI
REMOVED



30,032
CALLS FOR SERVICE



794,184 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 Q1 2024

