

Downtown Sacramento Market Report

Q2 2023



downtown
SACRAMENTO
PARTNERSHIP

DowntownSac.org/DoBusiness

916-442-8575

DSP@downtownsac.org

Thriving Downtown

Q2 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.

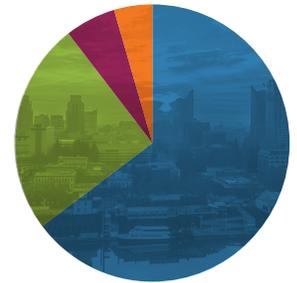
Downtown Demographics

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



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

16¢
generated per
visit

68%
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.)	6,833,527	2,366,104	866,973	2,331,444
Vacancy Rate	24.9%	14.6%	22.2%	33.5%
Rental Rate per (sq. ft.)	\$3.19	\$3.42	\$2.95	\$3.15

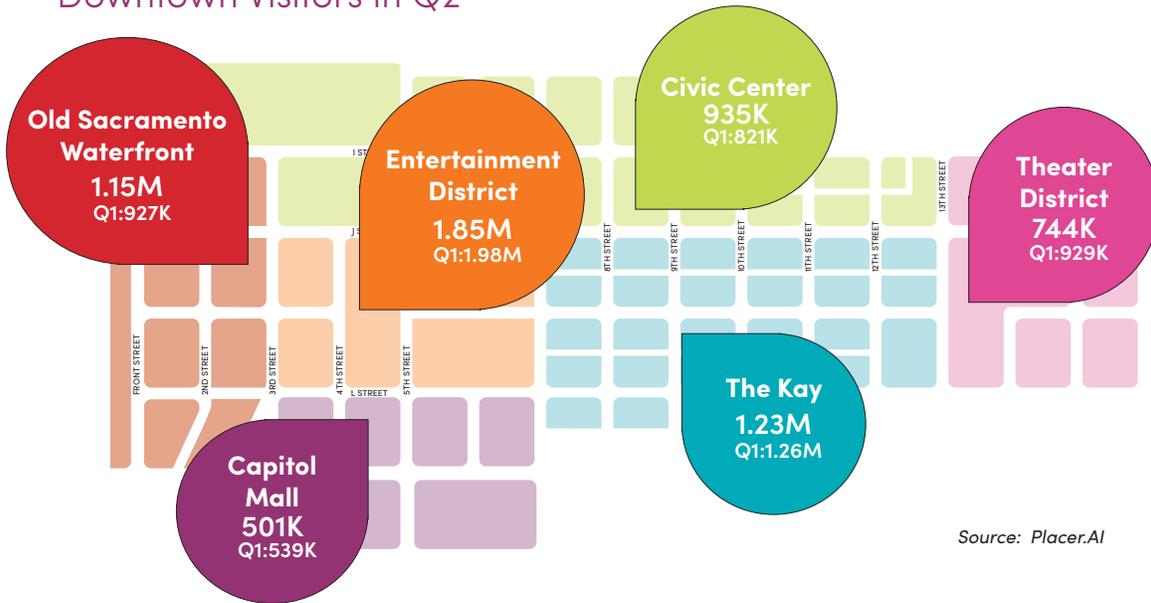
Source: CoStar Properties

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Updated July 2023

Downtown Visitors in Q2

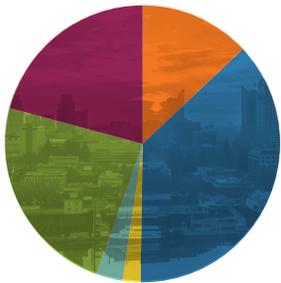


Source: Placer.AI

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



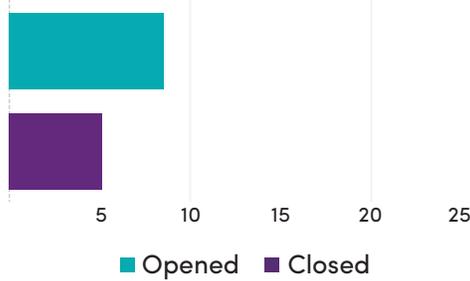
Food & Beverage
Services
Shopping
Entertainment
Hotel
Health & Wellness

37%
of Retail Businesses
Downtown are Food & Beverage

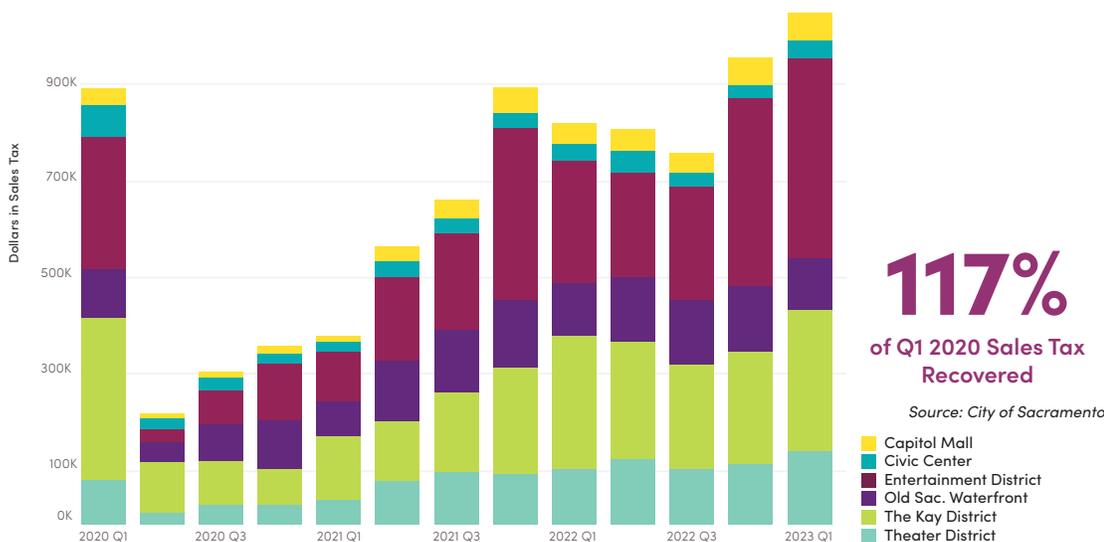
New Businesses Created

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

Opened and Closed Businesses in 2023



Sales Tax by District



117%

of Q1 2020 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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Q2 Occupancy

Office Market

	2023 Q2	2022 Q2	2021 Q2	2020 Q2
Vacancy Rate	24.90%	20.60%	17.60%	13.10%
Office Base Rent	\$3.19	\$3.17	\$3.13	\$3.16
Leasing Activity SF Total	59,335	69,648	90,076	29,603
Net Absorption SF Total	-110,594	-75,731	4,270	-41,045

Retail Market

	2023 Q2	2022 Q2	2021 Q2	2020 Q2
Occupancy Rate	72.70%	76.30%	81.60%	83.30%
Retail Base Rent	\$3.12	\$3.18	\$3.07	\$3.06
Occupied SF	3,263,726	3,263,726	3,263,726	3,263,726

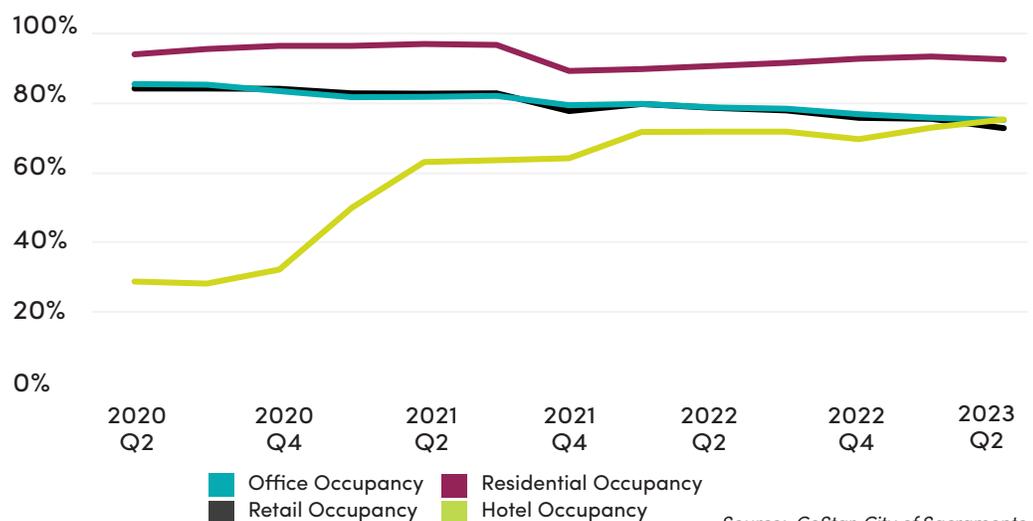
Residential Market

	2023 Q2	2022 Q2	2021 Q2	2020 Q2
Occupancy Rate	93.10%	91.00%	98.00%	94.70%
Average Rent PSF	\$2.75	\$2.69	\$2.65	\$2.60
Average Rent PU	\$1,757	\$1,719	\$1,694	\$1,662
Inventory Units	1,503	1,467	1,318	1,318

Hotel Market

	2023 Q2	2022 Q2	2021 Q2	2020 Q2
Occupancy Rate	75.95%	71.07%	54.87%	22.70%
RevPAR	\$160.70	\$131.23	\$78.33	\$24.89

Sacramento Markets Compared



Source: CoStar, City of Sacramento

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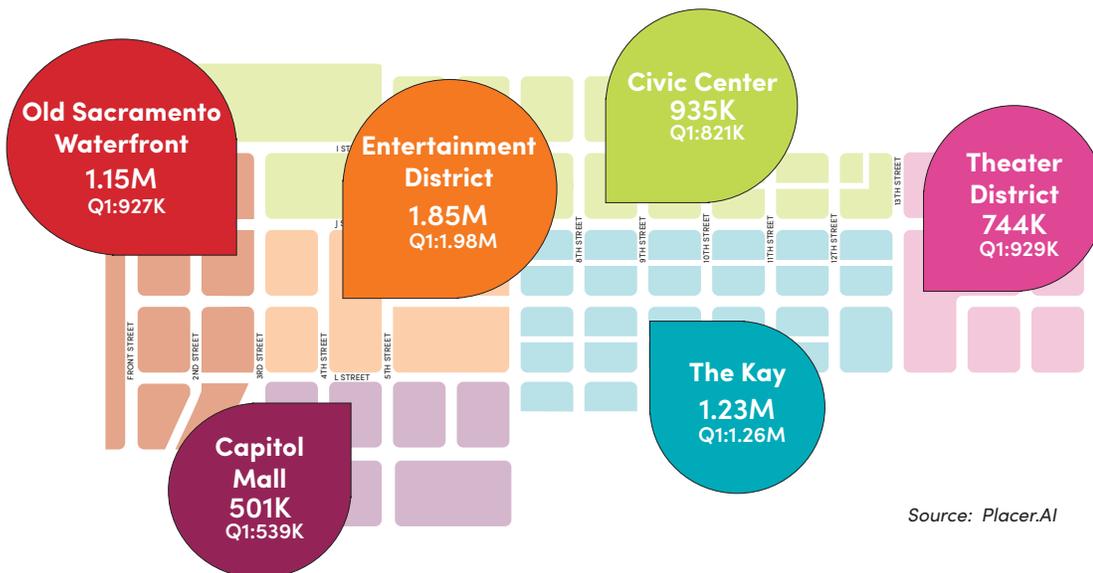
Q2 Visitors

Pedestrian Visits

	2023 Q2	2022 Q2	2021 Q2	2020 Q2
Downtown Sacramento	4,653,614	4,212,087	2,887,826	987,058
Capitol Mall	362,832	387,553	214,681	83,341
Civic Center	731,311	653,279	459,095	271,605
Entertainment District	1,734,790	1,379,223	724,617	106,156
Old Sac. Waterfront	1,073,355	955,382	906,775	282,017
The Kay District	1,025,377	966,969	651,783	244,871
Theater District	643,489	679,590	326,666	113,892

Employee Visits

	2023 Q2	2022 Q2	2021 Q2	2020 Q2
Downtown Sacramento	933,069	797,191	526,441	503,097
Capitol Mall	146,000	122,245	108,061	102,371
Civic Center	203,540	191,510	142,036	168,479
Entertainment District	114,064	91,914	59,174	19,302
Old Sac. Waterfront	81,689	81,177	42,295	28,780
The Kay District	200,814	163,467	82,915	75,239
Theater District	100,988	72,588	51,220	54,635



Source: Placer.AI

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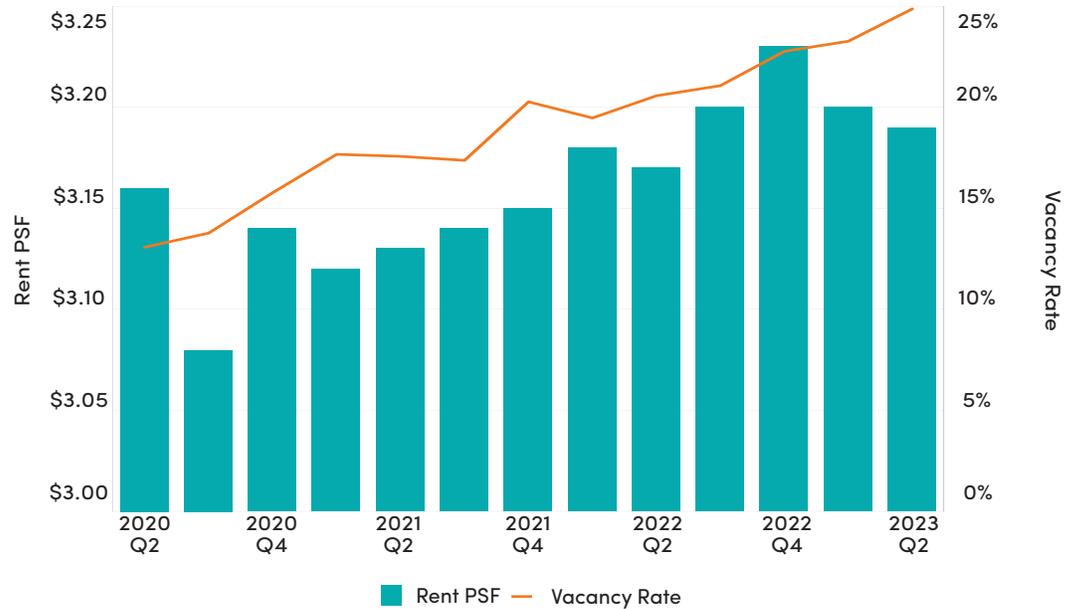
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Office & Retail

Office Market

Vacancy rates for office inventory continue to rise as companies consolidate long-term leases into newly-constructed assets. The post-pandemic office market continues to try to balance hybrid work models and tenants preference of high-quality, commute-worthy properties.

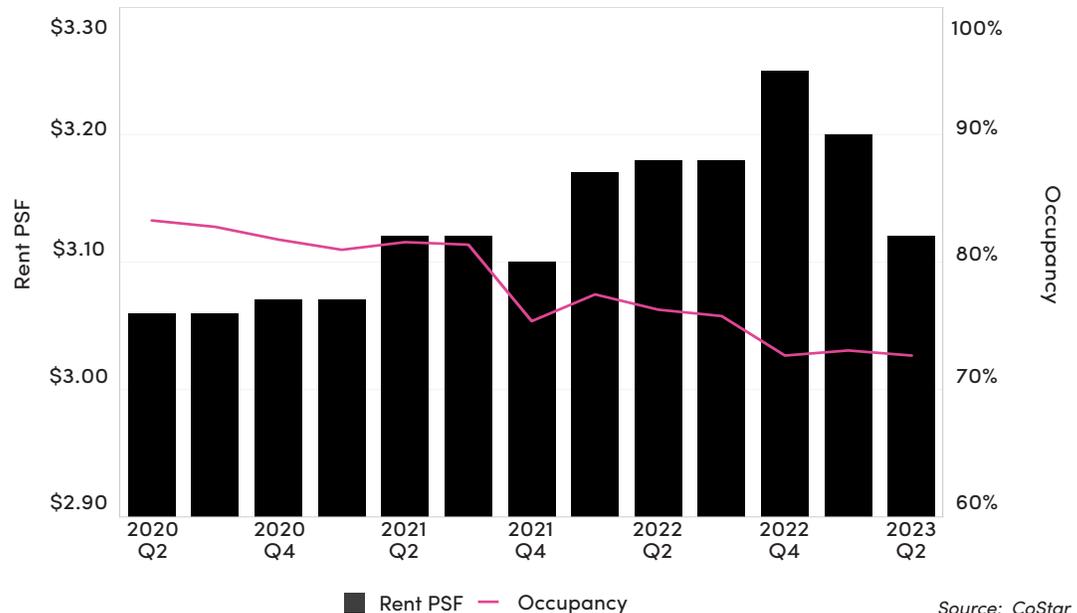
	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2
Rent PSF	\$3.16	\$3.08	\$3.14	\$3.12	\$3.13	\$3.14	\$3.15	\$3.18	\$3.17	\$3.20	\$3.23	\$3.20	\$3.19
Vacancy Rate	13.1%	13.8%	15.8%	17.7%	17.6%	17.4%	20.3%	19.5%	20.6%	21.1%	22.8%	23.3%	24.9%



Retail Market

Asking rents and occupancy levels continue to search for a new equilibrium with hybrid work models hurting the traditional brick-and-mortar; however, thanks to experience-driven concepts and evening-focused spaces, a surging social sector continues to stabilize the market.

	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2
Rent PSF	\$3.06	\$3.06	\$3.07	\$3.07	\$3.12	\$3.12	\$3.10	\$3.17	\$3.18	\$3.18	\$3.25	\$3.20	\$3.12
Occupancy Rate	83.3%	82.8%	81.8%	81.0%	81.6%	81.4%	75.4%	77.5%	76.3%	75.8%	72.7%	73.1%	72.7%



Source: CoStar

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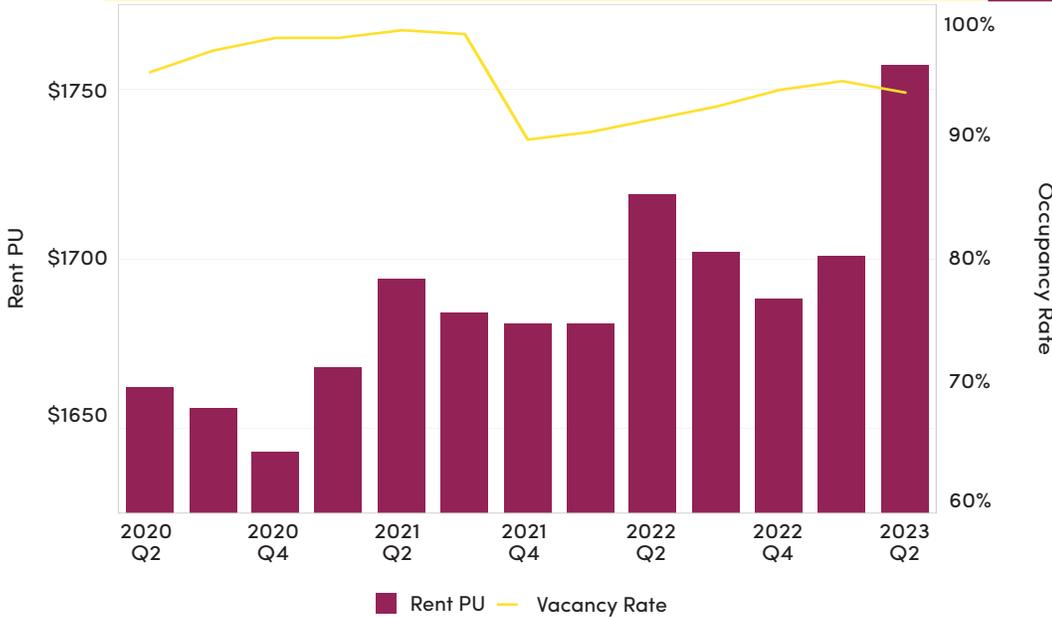
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Residential & Hotel

Residential Market

New inventory has put modest downward pressure on asking rents and increased move-in concessions during previous quarters, however, the downtown Sacramento residential submarket continues to outperform other regional submarkets with asking rents raising by 3%.

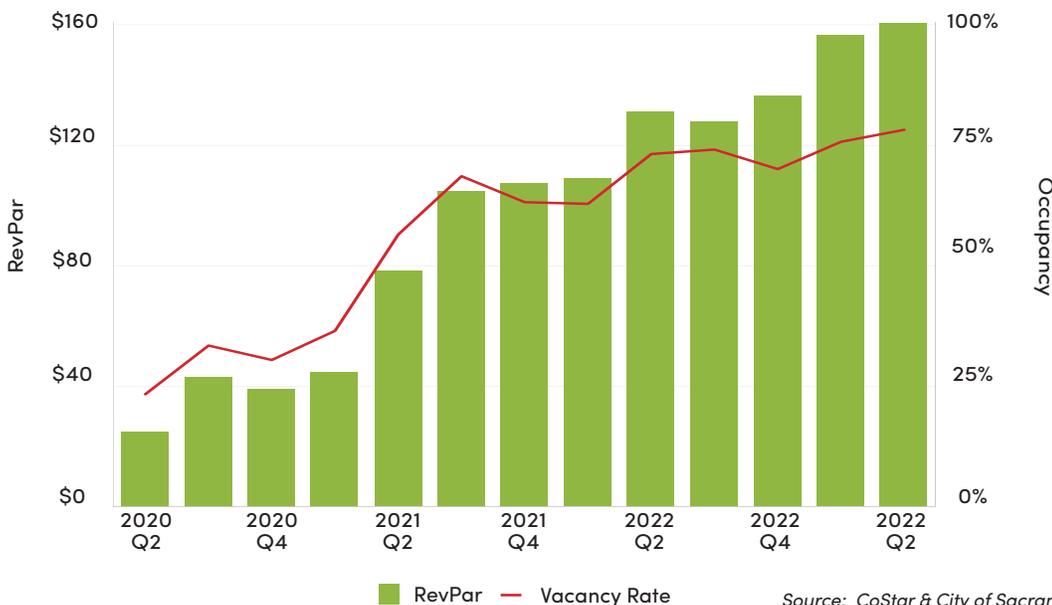
	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2
Rent PU	\$1,662	\$1,656	\$1,643	\$1,668	\$1,694	\$1,684	\$1,681	\$1,681	\$1,719	\$1,702	\$1,688	\$1,701	\$1,757
Occupancy Rate	94.7%	96.4%	97.4%	97.4%	98.0%	97.7%	89.4%	90.0%	91.0%	92.0%	93.3%	94.0%	93.1%



Hotel Market

The downtown Sacramento hotel market continues its strong performance with RevPAR at \$160 and occupancy levels continuing to approach 80% during the second quarter due to the strong demand for leisure travel and a strengthening business travel sector.

	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2
RevPar	\$25	\$43	\$39	\$45	\$78	\$105	\$108	\$109	\$131	\$128	\$136	\$156	\$161
Occupancy Rate	22.7%	32.5%	29.6%	35.5%	54.9%	66.6%	61.4%	61.0%	71.1%	72.0%	68.0%	73.5%	76.0%



Source: CoStar & City of Sacramento



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Pedestrian Trends

Employees & Visitors

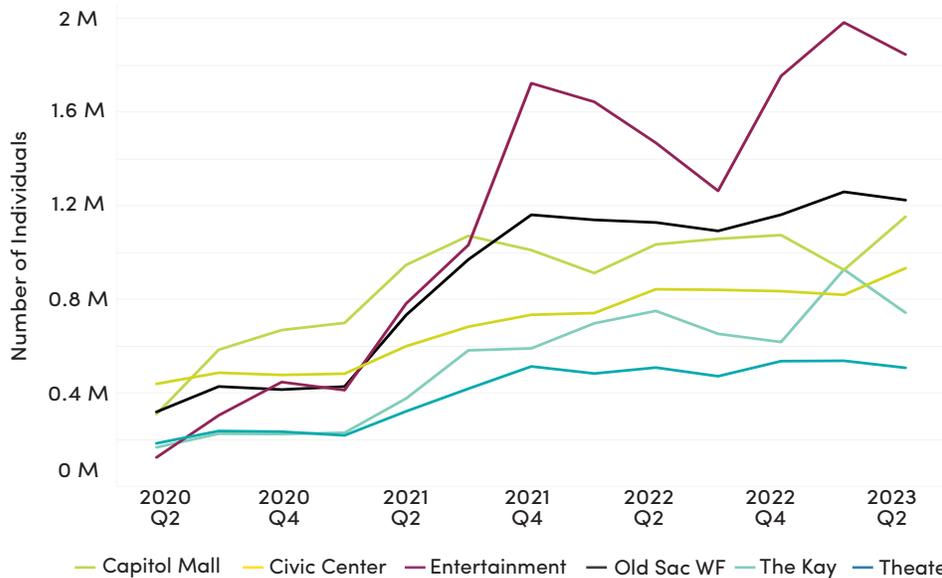
Downtown Sacramento visitation has surpassed pre-pandemic levels, as employee levels continue a modest yet steady upward climb.

	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2
Employees	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	0.93 M
Visitors	.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	4.65 M



Pedestrians by District

	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2
Cap Mall	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	0.54 M
Civic Center	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	0.82 M
Entertainment	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	1.98 M
Old Sac WF	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	0.93 M
The Key	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	1.26 M
Theater	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	0.93 M



Source: Placer.AI



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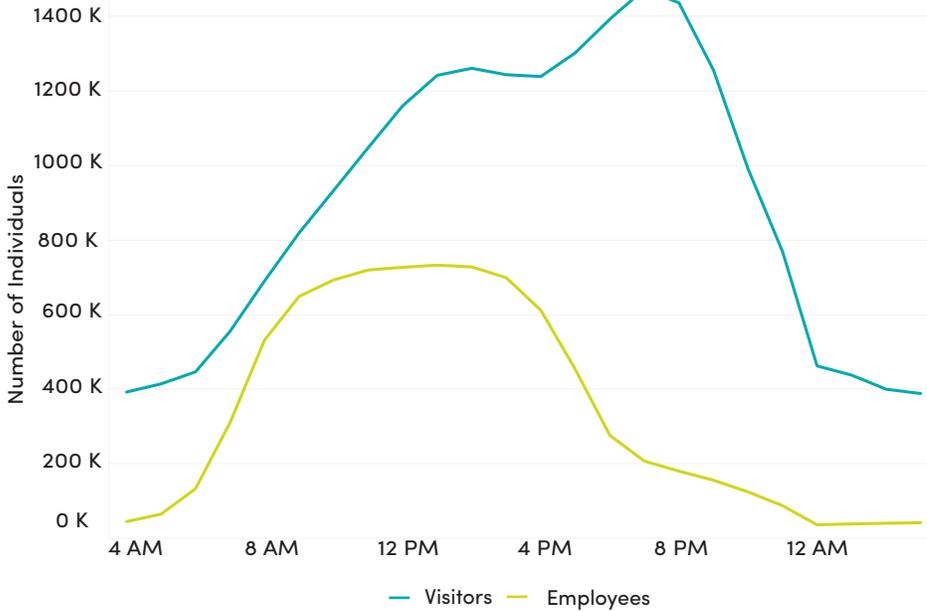
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Consumer Trends

Q2 Visits by Hour

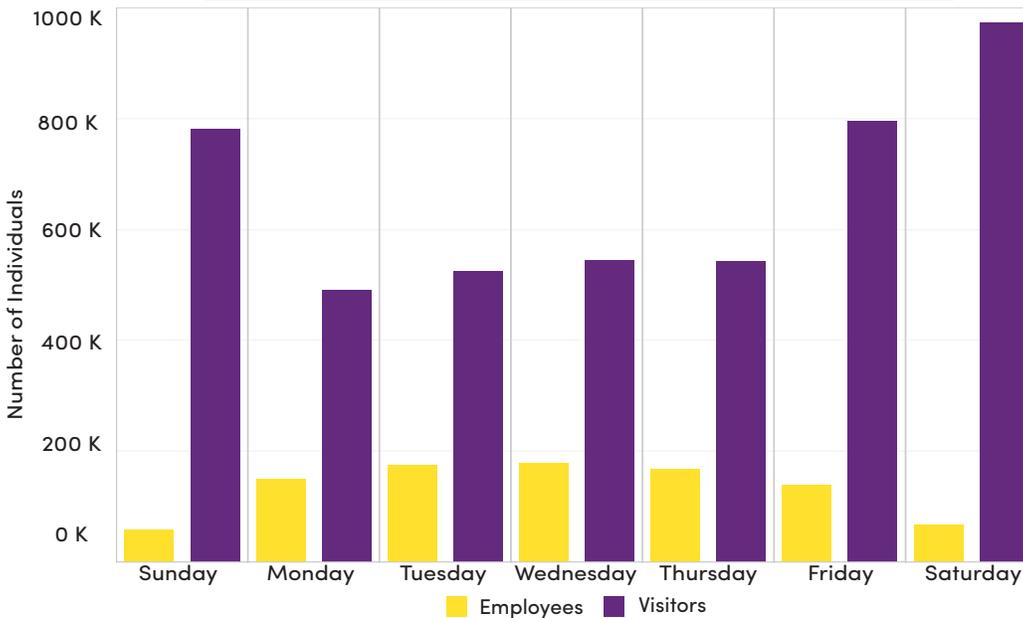
Weekend and evening visitation continues to serve as strong drivers of overall pedestrian traffic in Downtown Sacramento.

	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	394 K	448 K	692 K	935 K	1162 K	1262 K	1240 K	1304 K	1438 K	993 K	464 K	401 K
Employees	46 K	134 K	534 K	694 K	728 K	730 K	613 K	277 K	182 K	126 K	38 K	42 K



Q2 Visits by Day of the Week

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Visitors	781 K	491 K	524 K	544 K	542 K	796 K	973 K
Employees	58 K	150 K	174 K	178 K	167 K	139 K	66 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 Q2 2023



448
UNHOUSED PEOPLE
CONTACTED



2,037
HOURS WORKED



9,189
PUBLIC SAFETY
ASSISTS



11,589
BLOCKS POWERWASHED



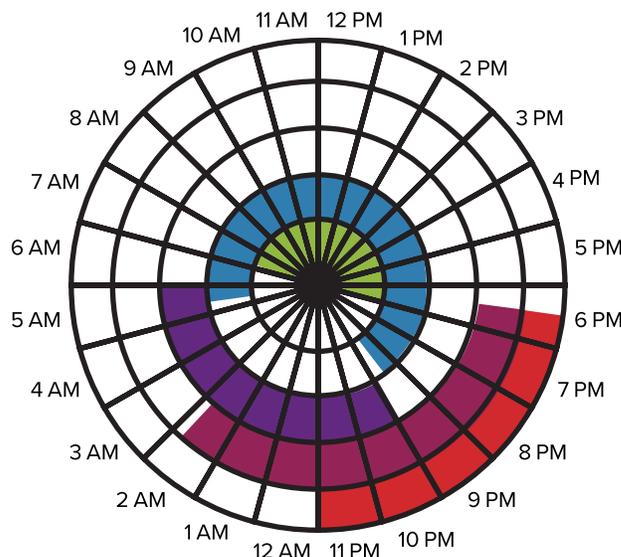
2,488
PIECES OF GRAFFITI
REMOVED



16,529
CALLS FOR SERVICE



145,568 POUNDS OF DEBRIS 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 Q2 2023



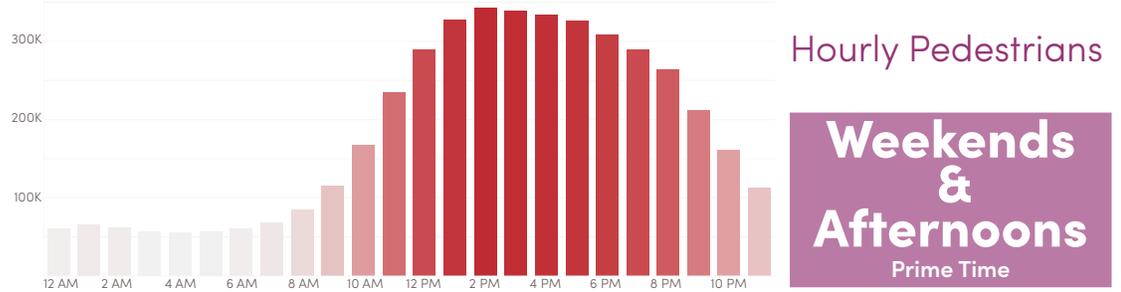
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Life on the Water

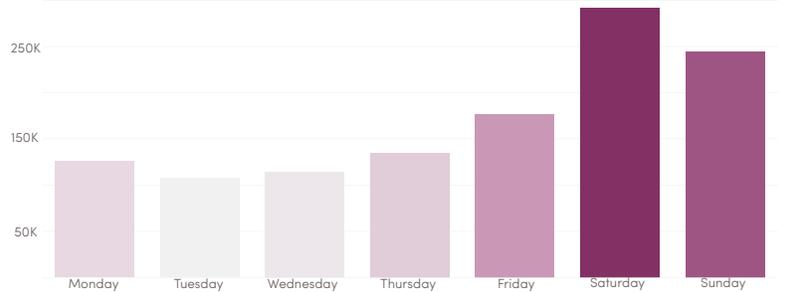
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Old Sacramento Waterfront, the Historic Landmark District to California's state capital, is a bustling neighborhood filled with shopping, dining, and exploring options for everyone. Whether you're looking for a night out, shopping for the perfect gift, 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.



DOTW Pedestrians

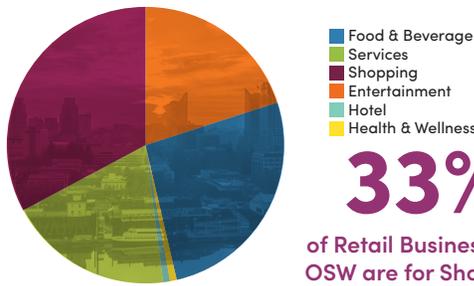
896 K
Pedestrians
in Q2



Source: Placer.Ai

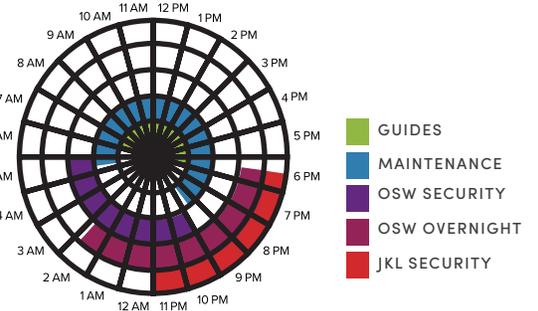
Retail Market

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



24 Hour Clean & Safe

DSP FIELD SERVICES: 916-442-2200



Old Sacramento Waterfront Sales Tax by Category



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Updated July 2023