



The rental market remains strong nationwide.

Sacramento rental market strong

Rents going up, but still a bargain

Sacramento's rental market continues to be strong – good news for both property owners and prospective renters.

"The rental market right now is very good," said Greg Paquin of The Gregory Group, a real estate research and data company in Folsom. "It's been strong for a number of years with a high occupancy rate. The demand for (rentals) is high in all areas. It's a national trend that's certainly local, too."

Paquin, who started his company 20 years ago, has seen a Sacramento building boom in new rentals.

"They're building a lot of units everywhere," he said. "In Folsom, two or three projects are going up. In downtown and midtown (Sacramento), 4,700 units are coming online, many of them this year or next."

According to Zumper's national rent report for August, Sacramento rents went up this summer. Reflecting high demand, the average rent for a one-bedroom apartment

in Sacramento was \$1,300, up 3.2% from July and 8.3% from the same time last year. A two-bedroom apartment now averages \$1,500, up 2% from last month and 6.4% from 2018.

Both those are very close to national averages (\$1,233 and \$1,477 for one- and two-bedroom apartments, respectively), which – compared to many parts of California – makes Sacramento a bargain. Highest in the nation, San Francisco's average rents for August were \$3,600 for a one-bedroom unit and \$4,790 for two bedrooms; those actually were slightly down from the month before.

Among the many new apartments being built in Sacramento, Paquin noted two distinct trends: Micro-units and resort living.

"We're seeing a lot of smaller units, particularly downtown and midtown" he said. "These are micro-units, 250 to 400 square feet. They're really small, but also much more affordable. The common areas have all the amenities: Sitting areas, fireplace, pool. They're near restaurants and bars and places to go. So, you're not in your unit all the time; you have some place else to relax with friends."

Other projects attract renters with amenities worthy of a major hotel.

"It's a resort kind of apartment, attracting all different types of renters," Paquin explained. "The units have lots of nicer features, but the common areas are very upscale: Cigar room, movie room, meeting rooms, barbecue pits, two or three pools. It's like a vacation at home."

BY DEBBIE ARRINGTON

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