



# Market Report

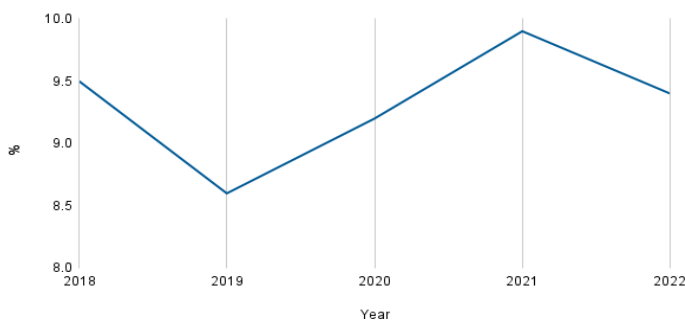
## Sacramento, CA

### Overview

Sacramento office market continues to search for a new equilibrium, the vacancy rate sits at 10.7%, and has been largely flat over the past 12 months, but continues to slowly climb. The space that has returned to market is largely a result of firms downsizing and shifting toward a hybrid real estate strategy. Much of the vacancy is among Class C buildings, which is currently 11.7%, while A and B buildings compare favorably, with a vacancy of only 10%.

Demand for office space is beginning to return, as leasing activity totaled 3.7 million Sf in 2021, increasing by 24% compared to 2020 figures but still off the pre-pandemic pace.

Total Vacancy



Class A and Class B



### Fundamentals

Net absorption	41,256 SF
Under construction	2,127,281 SF
Avg. asking rent (gross)	\$25.80/SF
Concessions	Increasing



Market size

109M



Largest Office Deal

100,464 SF



Total Vacancy

%10.5

### Contact

For more information, please contact:



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### What this means for tenants

Initial pricing shock at the start of the pandemic has leveled off with annual rent growth of 1.6%, ahead of the national figure of 1.1%. Rents are up slightly regardless of product quality. Class C buildings are fairing the best up by 2.1% year over year. Downtown still commands a sizeable pricing premium over the balance of the market with its abundance of quality

products and strong leasing prior to the pandemic. Historically, the submarket has drawn consistent demand for corporate and professional service users. However, the extent to which they will fully return to the office remains to be seen. Growth rates are comparable in the suburbs as landlords are content to hold firm on the asking rate despite souring metrics.

Tenant	Building Address	Submarket	Type	Sq Feet
Gainwell Technologies	Roseville Innovation Center	Roseville/Rocklin	Office	100,464
UC Davis	Aggie Square	East Sacramento	Office	61,358
California Highway Patrol	Prospect West	Highway 50	Office	47,514
Unitek College	North Pointe	Howe/Fulton/Watt	Office	35,185
Water Resources Board	Renaissance Tower	Downtown	Office	32,978
ThermoGenesis	Prospect Park	Highway 50	Office	30,744
County of Sacramento	3636-3640 American River Drive	Campus Commons	Office	26,592
Roman Catholic Bishop	Sutter Health Plus	South Natomas	Office	24,673
Patra	El Dorado Hills Campus	Folsom	Office	24,427
Wells Fargo Bank	Parkway Medical Plaza	Roseville	Office	24,172