Kidder Mathews

MARKET TRENDS | SACRAMENTO

OFFICE

3RD QUARTER
2020

▲ ABSORPTION | ▲ RENTAL RATE | ▼ VACANCY | ▼ CONSTRUCTION DELIVERIES

Year-over-year change

TOP SALE TRANSACTIONS FOR 3Q 2020

Property	Submarket	Square Feet	Sale Price	Price/SF	Buyer	Seller
Douglas Corporate Center II	Roseville/Rocklin	110,791	$30,000,000	$270.78	KB Property Advisors	Barker Pacific Group
660 J. St.	Downtown	124,471	$20,200,000	$162.29	RevOz Capital	JMA Ventures LLC
3241 Kilgore Rd.	Highway 50 Corridor	107,768	$20,000,000	$185.58	The Wonderful Company	DWS

TOP LEASE TRANSACTIONS FOR 3Q 2020

Property	Submarket	Square Feet	Date	Landlord	Tenant
3636-3640 American River Dr.	Campus Commons	47,664	August 2020	Woodside Capital Partners	County of Sacramento
15 Business Park Way	South Sacramento	25,000	September 2020	The Blackstone Group	California Mobility Center
2205 Plaza Dr.	Roseville/Rocklin	22,460	August 2020	Ibrahim Salama	Undisclosed

TOP UNDER CONSTRUCTION

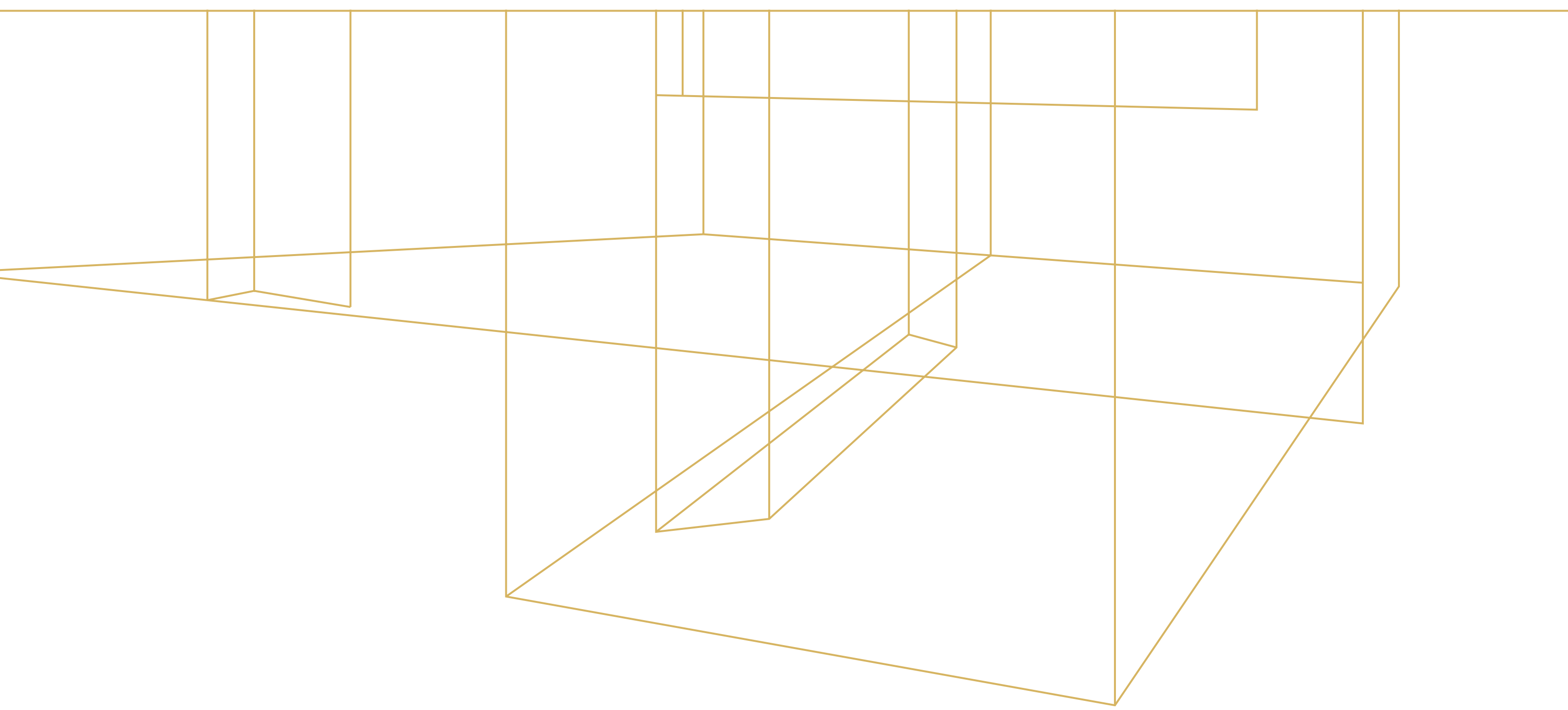
Property	Address	Submarket	Square Feet	Owner	Delivery Date
California Natural Resources Agency	P St	Downtown	838,000	State of California	April 2022
Capitol Annex Expansion	1021 O St	Downtown	472,000	Dreyfuss & Blackford Architects	October 2021
California Department of General Services	1215 O St	Downtown	360,000	State of California	February 2022
10601 Bear Hollow Dr.	10601 Bear Hollow Dr.	Highway 50 Corridor	285,000	State of California DSG	December 2020
4201 E. Commerce Way	4201 E. Commerce Way	North Natomas	255,900	Hines	October 2020

Market Breakdown

	3Q 2020	2Q 2020	3Q 2019	Annual % Change
Vacancy Rate	9.0%	9.0%	9.1%	-1.17%
Availability Rate	12.5%	11.2%	11.0%	13.20%
Asking Lease Rate	$24.12	$23.88	$22.92	5.24%
Leased SF	514,929	564,144	1,167,052	-55.88%
Sold SF	962,477	673,847	1,422,907	-32.36%
Direct Net Absorption	90,362	(86,113)	113,061	N/A

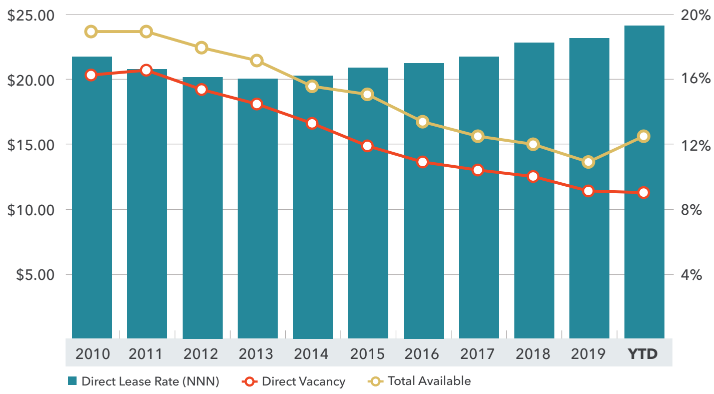
SACRAMENTO SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Total Vacancy Rate	Total Available Rate	3Q20 Direct Net Absorption	YTD Direct Net Absorption	3Q20 Leasing Activity	YTD Leasing Activity	Rental Rate (Office Base Rent Direct)
Downtown	**20,669,685**	**6.7%**	**6.9%**	**8.3%**	**(4,887)**	**2,089**	**23,590**	**121,436**	**$33.84**
Auburn/Lincoln	1,704,735	5.7%	5.7%	5.3%	(18,283)	(28,872)	8,667	18,529	$25.68
Campus Commons	1,767,971	14.1%	15.2%	16.9%	8,944	17,773	54,447	98,967	$26.28
Carmichael/Fair Oaks	1,570,515	14.4%	14.4%	15.7%	7,709	15,823	31,207	48,292	$16.68
Citrus Heights/Orangevale	1,811,079	9.9%	10.4%	13.3%	(2,518)	(12,264)	6,268	32,176	$19.08
Davis/Woodland	2,762,853	4.5%	5.0%	5.9%	17,014	31,921	5,763	21,675	$23.16
East Sacramento	2,611,147	1.1%	1.1%	1.5%	(3,635)	(5,296)	8,002	14,467	$32.88
El Dorado	2,171,139	10.6%	10.6%	14.2%	16,814	61,028	14,745	32,700	$23.04
Elk Grove	2,251,825	3.8%	4.1%	5.7%	(2,651)	11,870	12,075	29,927	$29.04
Folsom	5,385,071	3.9%	5.1%	12.2%	(166)	19,515	25,485	118,973	$26.16
Highway 50 Corridor	17,837,987	10.3%	10.7%	14.8%	61,476	62,084	87,226	825,707	$21.72
Howe Ave/Fulton Ave/Watt	5,302,783	15.4%	15.5%	16.8%	(20,524)	35,976	21,597	51,432	$19.20
Midtown	4,358,652	8.4%	8.6%	11.4%	6,129	4,163	20,609	47,613	$28.80
North Natomas	3,064,563	11.1%	11.4%	16.3%	(15,651)	54,205	18,134	83,088	$20.76
Point West	2,897,531	10.4%	13.0%	19.0%	9,556	46,414	14,342	104,088	$24.72
Rio Linda/N Highlands	1,146,561	21.4%	21.4%	28.5%	8,548	(33,898)	1,071	11,915	$20.88
Roseville/Rocklin	12,542,654	8.7%	9.0%	15.0%	36,097	38,172	90,725	286,791	$23.88
South Natomas	3,787,926	11.5%	11.8%	16.3%	(5,088)	(51,448)	21,696	155,568	$27.24
South Sacramento	3,672,142	6.0%	6.0%	7.9%	(6,432)	31,894	49,280	66,061	$21.12
West Sacramento	2,199,360	5.4%	5.5%	14.1%	(2,090)	49,680	0	23,674	$22.80
Sacramento Total	**99,516,179**	**8.6%**	**9.0%**	**12.5%**	**90,362**	**350,829**	**514,929**	**2,193,079**	**$24.12**
Class A	26,200,069	5.6%	6.1%	10.7%	111,973	167,979	67,800	584,266	$29.40
Class B	48,009,324	10.9%	11.3%	14.4%	(19,822)	12,858	373,294	1,344,953	$23.28
Class C	25,306,786	7.3%	7.5%	10.6%	(1,789)	169,992	73,835	263,860	$20.76

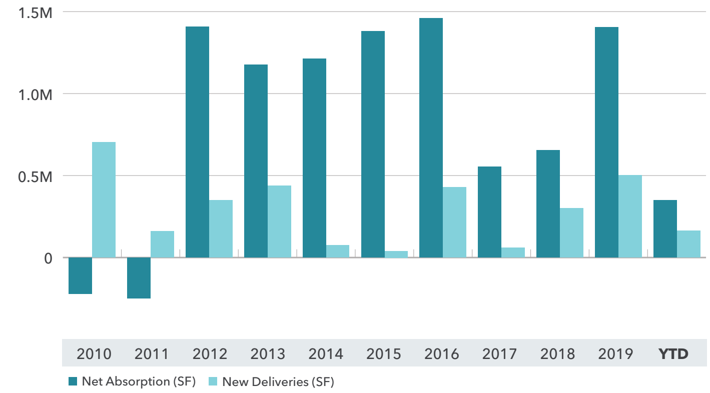


DATA SOURCE: COSTAR

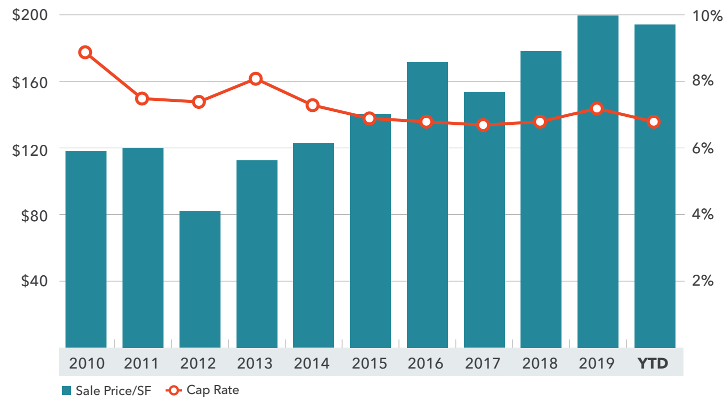
LEASE RATE, VACANCY & AVAILABILITY



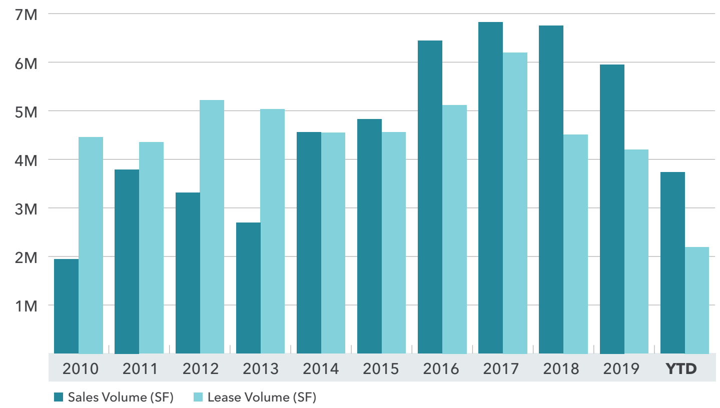
NET ABSORPTION & NEW DELIVERIES



AVERAGE SALES PRICE/SF & CAP RATES



SALE VOLUME & LEASE VOLUME



Kidder Mathews

Kidder Mathews is the largest, independent commercial real estate firm on the West Coast, with 900 real estate professionals and staff in 22 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, property management, consulting, project and construction management, and debt equity finance services for all property types.

The information in this report was composed by the Kidder Mathews Research Group.

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COMMERCIAL BROKERAGE

27M ANNUAL SALES SF

450+ NO. OF BROKERS

$9.6B ANNUAL TRANSACTION VOLUME

42M ANNUAL LEASING SF

VALUATION ADVISORY

1,680+ APPRAISALS ANNUALLY

37/23 TOTAL NO. APPRAISERS/MAI'S

PROPERTY MANAGEMENT

70M+ MANAGEMENT PORTFOLIO SF

$12B+ IN ASSETS UNDER MANAGEMENT

DATA SOURCE: COSTAR