State of the Housing Market in our Region: Sacramento
ULI Sacramento

August 24, 2018
Building Permits (Six-County Sacramento Region)

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Single-Family Permits:</td>
<td>1,951</td>
<td>2,949</td>
<td>3,693</td>
<td>3,964</td>
<td>5,417</td>
<td>6,392</td>
<td>7,114</td>
<td>6,752</td>
</tr>
<tr>
<td>Multi-Family Permits:</td>
<td>686</td>
<td>575</td>
<td>698</td>
<td>475</td>
<td>1,138</td>
<td>1,073</td>
<td>2,695</td>
<td>1,142</td>
</tr>
<tr>
<td>Total Permits:</td>
<td>2,637</td>
<td>3,524</td>
<td>4,391</td>
<td>4,439</td>
<td>6,555</td>
<td>7,465</td>
<td>9,806</td>
<td>7,894</td>
</tr>
<tr>
<td>Percent Change:</td>
<td>-7.5%</td>
<td>33.6%</td>
<td>24.6%</td>
<td>1.1%</td>
<td>47.7%</td>
<td>13.9%</td>
<td>31.4%</td>
<td>-19.5%</td>
</tr>
<tr>
<td>Percent Single Family Permits:</td>
<td>74.0%</td>
<td>83.7%</td>
<td>84.1%</td>
<td>89.3%</td>
<td>82.6%</td>
<td>85.6%</td>
<td>72.5%</td>
<td>85.5%</td>
</tr>
<tr>
<td>Percent Multi Family Permits:</td>
<td>26.0%</td>
<td>16.3%</td>
<td>15.9%</td>
<td>10.7%</td>
<td>17.4%</td>
<td>14.4%</td>
<td>27.5%</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

2009 – 2014 (Six Years)
Average = 3,454 (2,910 SF)

2015 – 2017 (Three Years)
Average = 7,942 (6,308 SF)

1991 – 1997 (Seven Years)
Average = 9,763 (8,655 SF)

Long-Term Average = 12,321 (9,526 SF) (1980 – 2017)
New Home Sales (Six-County Sacramento Region)

Sacramento Region New-Home Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>12,216</td>
</tr>
<tr>
<td>2001</td>
<td>10,936</td>
</tr>
<tr>
<td>2002</td>
<td>16,062</td>
</tr>
<tr>
<td>2003</td>
<td>15,858</td>
</tr>
<tr>
<td>2004</td>
<td>17,155</td>
</tr>
<tr>
<td>2005</td>
<td>14,094</td>
</tr>
<tr>
<td>2006</td>
<td>9,607</td>
</tr>
<tr>
<td>2007</td>
<td>7,416</td>
</tr>
<tr>
<td>2008</td>
<td>4,965</td>
</tr>
<tr>
<td>2009</td>
<td>2,841</td>
</tr>
<tr>
<td>2010</td>
<td>1,776</td>
</tr>
<tr>
<td>2011</td>
<td>1,668</td>
</tr>
<tr>
<td>2012</td>
<td>2,782</td>
</tr>
<tr>
<td>2013</td>
<td>2,458</td>
</tr>
<tr>
<td>2014</td>
<td>2,739</td>
</tr>
<tr>
<td>2015</td>
<td>3,986</td>
</tr>
<tr>
<td>2016</td>
<td>5,087</td>
</tr>
<tr>
<td>2017</td>
<td>5,663</td>
</tr>
<tr>
<td>2018p</td>
<td>5,916</td>
</tr>
</tbody>
</table>

Average: 7,538

Long-Term Average = 7,538 (2000 – 2017)

Urban Developments (versus Suburban Development): 6.5%
Small-Lot/Attached Development (vs Traditional Development): 38.3%
New Home Unsold Inventory (Six-County Sacramento Region)

2,326 Units
214 Projects

Long-Term Average
1,688 Units
185 Projects

802 Units
119 Projects

New-Home Unsold Inventory

Number of Projects

© 2018 The Gregory Group

Source: The Gregory Group
### New Home Pricing (Six-County Sacramento Region)

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New-Home Pricing</td>
<td>$342,112</td>
<td>$313,056</td>
<td>$353,391</td>
<td>$417,651</td>
<td>$436,058</td>
<td>$472,397</td>
<td>$505,792</td>
<td>$515,562</td>
<td>$528,450</td>
</tr>
<tr>
<td>Percent Change</td>
<td>-11.2%</td>
<td>-8.5%</td>
<td>12.9%</td>
<td>18.2%</td>
<td>4.4%</td>
<td>8.3%</td>
<td>7.1%</td>
<td>1.9%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

Previous High (2Q/2006) = $498,027  
4Q/2018 Projected Price = $528,450
Sacramento Region Population Change and Percentage Change 2017-2027

The greatest number of ageing baby-boomers will be in Sacramento County (an increase of 96,623 people during the next ten years), while Placer County will post the greatest 35 – 44 year old number growth (an increase of 14,346).

Ages 25 – 44 years:
99,407 person increase 15.8%

Ages 65 years and greater:
169,457 person increase 45.4%

Source: California Department of Finance, The Gregory Group
### Northern California Components of Population Change 2016 - 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>Sacramento Region</th>
<th>Bay Area Region</th>
<th>Central Valley Region</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Increase (Births - Deaths)</td>
<td>10,367</td>
<td>36,628</td>
<td>32,480</td>
<td>79,475</td>
</tr>
<tr>
<td>Net Immigration (From Outside US)</td>
<td>9,358</td>
<td>51,041</td>
<td>12,447</td>
<td>72,846</td>
</tr>
<tr>
<td>Net Domestic Migration (From Inside US)</td>
<td>7,835</td>
<td>-35,812</td>
<td>8,693</td>
<td>-19,284</td>
</tr>
<tr>
<td><strong>Total Change</strong></td>
<td><strong>27,560</strong></td>
<td><strong>51,857</strong></td>
<td><strong>53,620</strong></td>
<td><strong>133,037</strong></td>
</tr>
</tbody>
</table>

Source: California Department of Finance, The Gregory Group
Challenges and Opportunities

**Challenges**
- Costs
- Regulation
- Zoning

**Opportunities**
- A Redefinition of Housing
- Urban Housing in Suburban Locations
- Alternative Types of Housing
the gregory group

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State of Housing in our Region
Moderated Panel Discussion
Friday, August 24
Riverchase
West
Sacramento
3639 Haven Ave Menlo Park, CA 94025

2014 – Light Industrial Site

Current – 394 Apartment Units
SUBURBAN SHOWCASE PROJECTS – ANTON MENLO

MENLO PARK, CA (San Francisco Suburb)

394 UNITS; COMPLETED 2018

Type: Wrap
Density: 42 units/acre
Cost per Door: $252K
If Today: $375K

Land Cost: 15%
Gov Fees: 8%
Const. Cost: 74%

Rent 2 BR: $4,500
300 Railway Ave, Campbell, CA 95008

2016 – Industrial Warehouses

Current – 119 Apartment Units
SUBURBAN SHOWCASE PROJECTS – 300 RAILWAY

CAMPBELL, CA (San Jose Suburb)

Type: Podium Sub T
Density: 65 units/acre
Cost per Door: $450K
If Today: $510K

Land Cost: 27%
Gov Fees: 6%
Const. Cost: 57%

Rent 2 BR: $4,300
Current – FCUSD Surplus Site

125 E. Bidwell Street, Folsom, CA 95630

2019 – 140 Mixed-Income Units
SHOWCASE PROJECTS – BIDWELL POINTE

Type: 3 Story Walk Up
Density: 33 units/acre
Cost per Door: $261K
If Today: $275K
Land Cost: 6%
Gov Fees: 10%
Const. Cost: 58%
Rent 2 BR: $1,300

<table>
<thead>
<tr>
<th>WRAP</th>
<th>PODIUM</th>
<th>GARDEN STYLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>$375K / DOOR</td>
<td>$510K / DOOR</td>
<td>$275K / DOOR</td>
</tr>
<tr>
<td>50-65 UNITS / ACRE</td>
<td>100+ UNITS / ACRE</td>
<td>33 UNITS / ACRE</td>
</tr>
<tr>
<td>$3,000+ PER MONTH</td>
<td>$3,500+ PER MONTH</td>
<td>$1,300 PER MONTH</td>
</tr>
</tbody>
</table>
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