

# SACRAMENTO OFFICE SNAPSHOT: Q1 2019

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PRELIMINARY STATISTICS SHOW AN OFFICE MARKET THAT IS STILL ON THE RIGHT TRACK

## KEY TAKEAWAYS

### ANNUAL NET ABSORPTION

starts off on a positive note after two of the last three years saw negative absorption in the first quarter

### NEW CONSTRUCTION

is dominated by the State of California as it started work on the Capitol Annex swing space, another addition to its expanding list of new Downtown developments

### VACANCY RATE

for Downtown Class A space has dropped to an 11-year low as vacancy has been cut in half since 2014

### INVESTMENT VOLUME

was boosted by Anchor Health Properties' \$79M acquisition of the four-building Parkway Corporate Plaza in Roseville



Q1 NET ABSORPTION totaled

**139,692 SF**

SLIGHTLY BELOW THE TRAILING EIGHT-QUARTER AVERAGE OF 158,640 SF



CLASS A DOWNTOWN ASKING RATES continue to set record highs

**\$3.15 PSF/MO (GROSS)**

UP 5.0% FROM Q1 2018



VACANCY RATE dropped 30 basis points from the previous quarter

**13.9%**

COMPARED TO 14.3% IN Q1 2018



Overall average ASKING RATES are

**\$1.94 PSF/MONTH (GROSS)**

THE HIGHEST MARKET-WIDE AVERAGE SINCE Q4 2009



INVESTMENT VOLUME of

**\$183.77 MILLION**

IS ABOUT HALF OF Q1 2018's TOTAL VOLUME WHEN 621 CAPITOL MALL SOLD FOR \$161M



UNDER CONSTRUCTION space across the market surpassed

**1 MILLION SF**

FOR THE FIRST TIME SINCE 2009

## CONTACTS:

### Bob Shanahan

Senior Research Analyst  
+1 916 563 3018  
bob.shanahan@colliers.com

### Ken Johnson

Research Manager  
+1 916 563 3065  
ken.johnson@colliers.com

### Randy Dixon

Managing Director | Sacramento  
+1 916 929 5999  
randy.dixon@colliers.com

### COLLIERS INTERNATIONAL

301 University Avenue, Suite 100  
Sacramento, CA, 95825  
+1 916 929 5999  
colliers.com/sacramento

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