CASH COW MARKET REPORT™

Demographic, Economic & Rental Market Analysis

1805 V Street

Sacramento, California 95818

PROPERTY TYPE	UNITS	BED / BATH	BUILDING SIZE
Duplex	2	4 / 2	1,784 SF

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Prepared July 16, 2026

Executive Summary

Sacramento County market conditions supporting 1805 V Street

CASH COW MARKET SCORE	MARKET GRADE	COUNTY POPULATION	MEDIAN HOUSEHOLD INCOME
63 / 100	B	1.62M	$92,175

Sacramento County offers a generally favorable long-term environment for multifamily ownership. The county benefits from a large, diversified employment base anchored by California state government, healthcare, education, logistics, and professional services. Population growth has resumed, household formation remains positive, and the multifamily construction pipeline has contracted materially.

Near-term conditions are more balanced. First-quarter 2026 market reports placed multifamily vacancy near 7.0% and average asking rent near $1,787 per unit. Rent growth was essentially flat as recently delivered apartments competed for tenants. The decline in units under construction, however, should improve the supply-demand balance as existing inventory is absorbed.

Five-Year Outlook: Base case: steady population and household growth, moderate employment expansion, and cumulative apartment rent growth of approximately 7% to 11%. The forecast is an analytical estimate based on current conditions, not a guarantee.

Top Market Strengths

- Stable economic foundation supported by state government, healthcare, education, and regional services.
- Positive population and household formation trends supporting future housing demand.
- Sharply reduced apartment construction pipeline after several years of elevated deliveries.
- Homeownership affordability constraints that keep many households in the rental market.

Primary Market Risks

- Near-term rent growth is modest and concessions may remain necessary in more competitive submarkets.
- Vacancy is above the tightest levels of the prior cycle.
- California operating costs, insurance, regulation, and taxes may pressure net operating income.

County & Property Overview

COUNTY	MSA	2025 POPULATION	HOUSING UNITS
Sacramento	Sacramento-Roseville-Folsom	~1.62M	~615,600

Regional Role

Sacramento County is the core governmental and employment center of the greater Sacramento region. The presence of California's state government gives the market an unusually large public-sector employment base. Healthcare systems, universities, professional services, logistics, retail, construction, and leisure and hospitality broaden the economic base.

Subject Property Context

1805 V Street is a four-unit multifamily property in Sacramento's Meadowview area. Public marketing records identify the property as a 1965-built fourplex with four two-bedroom, one-bath units, approximately 3,612 square feet of building area, and projected monthly rents of approximately $7,010. The demographic analysis in this report evaluates the broader county and metropolitan market supporting the property; it does not replace a neighborhood rent survey or property-level underwriting.

Key Property Facts

Property Type	Duplex
Configuration	Two 2-bedroom units
Year Built	1986
Building Area	Approximately 1,784 square feet
Projected Monthly Rent	$5,300
Projected Annual Scheduled Income	$63,600

Investor Interpretation: The property is positioned in a high-demand central Sacramento rental market with broad employment access. Reported in-place rents total $5,300 per month. The $849,000 asking price is approximately $71,000 below the reported $920,000 appraisal, but final investment performance will depend on verified leases, expenses, financing, condition, and the property's competitive position within the 95818 submarket.

Population, Households & Migration

2020 POPULATION BASE	2025 POPULATION	GROWTH SINCE 2020	BASE-CASE 5-YEAR GROWTH
~1.585M	~1.618M	~2.1%	~3.5%–4.5%

Population Trend

Sacramento County's population is estimated at roughly 1.62 million. The county added approximately 33,000 residents relative to its 2020 base, and recent state estimates indicate that population growth strengthened during 2024-2025. Sacramento County added nearly 8,800 residents during that one-year period, one of the larger gains among California counties.

Five-Year Population Outlook

A reasonable base case is population growth of approximately 3.5% to 4.5% over the next five years, or about 0.7% to 0.9% annually. This estimate assumes continued migration from higher-cost California markets, positive household formation, and no major regional recession. Growth is expected to remain moderate rather than rapid.

Household Formation

Household growth is especially important for rental housing because each newly formed household requires a housing unit. Available housing-needs forecasts indicate that Sacramento County could add roughly 28,000 households between 2026 and 2031, equivalent to about 4.8% growth.

Migration

Migration trends have been uneven. Sacramento benefited from relocation out of more expensive coastal markets, but California continues to experience domestic outmigration. The county's recent population gains indicate that Sacramento remains comparatively attractive within the state due to employment stability and relative housing affordability.

Rental Demand Impact: Moderate population growth combined with faster household formation should support gradual expansion in rental demand, particularly if future housing production remains below the pace required to meet demand.

Household Income & Housing Affordability

MEDIAN HOUSEHOLD INCOME	PER-CAPITA INCOME	MEDIAN HOME VALUE	HOMEOWNERSHIP RATE
$92,175	**$43,324**	**$534,200**	**59.0%**

Income Trend

The U.S. Census Bureau reports Sacramento County median household income of $92,175 in 2024 dollars. Nominal income growth over the last five years has been substantial, although part of that increase reflects inflation. A base-case five-year projection of approximately 15% to 18% nominal growth would place median household income near $106,000 to $109,000 by 2031.

Affordability

The county's median owner-occupied home value of approximately $534,200 is about 5.8 times median household income. That ratio, combined with mortgage rates, property taxes, insurance, and down-payment requirements, creates a meaningful barrier to homeownership for many households.

Rent Burden Context

Countywide median gross rent is approximately $1,790. Annualized, that equals about 23% of countywide median household income. This simple comparison understates pressure on lower-income renters because the median income figure includes homeowner households and higher-income households.

Investor Interpretation: Income growth should support moderate rent increases, while high ownership costs keep many households renting. The risk is that operating-cost increases or aggressive rent assumptions could outpace tenant income growth.

Employment & Economic Base

METRO PAYROLL JOBS	EMPLOYED RESIDENTS	UNEMPLOYMENT RATE	BASE-CASE 5-YEAR JOB GROWTH
~1.11M	**~1.14M**	**~4.2%**	**~3.5%–5.1%**

Economic Drivers

- California state government and local government
- Healthcare and social assistance
- Education and research
- Professional and business services
- Trade, transportation, logistics, and utilities
- Construction, finance, leisure, and hospitality

Stability

Sacramento's government and healthcare concentration tends to reduce volatility relative to markets dominated by a single cyclical private industry. Public-sector employment also supports a large base of steady-income renters. The tradeoff is that the region may grow more slowly than the nation's fastest-expanding Sun Belt markets.

Five-Year Employment Outlook

A base-case forecast of 0.7% to 1.0% annual payroll growth implies approximately 39,000 to 57,000 additional jobs over five years across the metropolitan area. Healthcare, professional services, logistics, and government are expected to provide the most dependable sources of expansion.

Risks

- State budget pressure could slow government hiring.
- Office-based professional services remain exposed to restructuring and remote-work trends.
- Retail and leisure employment is sensitive to consumer spending.
- A national recession would reduce household formation and leasing velocity.

Apartment Investment Impact: The employment outlook is stable rather than explosive. This supports occupancy and gradual appreciation but does not justify aggressive rent-growth assumptions.

Housing Supply & Multifamily Construction

COUNTY HOUSING UNITS	2025 BUILDING PERMITS	UNITS UNDER CONSTRUCTION	PIPELINE CHANGE
~615,600	~6,560	2,866	-52% YoY

Recent Supply Cycle

Sacramento delivered a meaningful amount of new multifamily supply from 2023 through 2025. Those deliveries increased tenant choice and limited landlords' ability to raise rents. The market nevertheless maintained relatively stable occupancy, indicating that underlying renter demand remained healthy.

Pipeline Contraction

Kidder Mathews reported 2,866 units under construction in the first quarter of 2026, down 52% from one year earlier. This contraction is one of the most favorable forward-looking indicators in the report because it reduces the risk of prolonged oversupply.

Demand Versus Supply

Projected household growth of roughly 28,000 between 2026 and 2031 substantially exceeds the number of apartments currently under construction. Not every new household will rent, and new single-family housing will meet part of the demand, but the comparison suggests that long-term housing needs remain significant.

Investor Interpretation: New supply is a near-term headwind but a medium-term opportunity. As the current pipeline is absorbed and fewer projects begin construction, vacancy and rent growth should gradually improve.

Rental Market & Five-Year Rent Outlook

AVERAGE ASKING RENT	MARKET VACANCY	REPORTED OCCUPANCY	BASE-CASE 5-YEAR RENT GROWTH
$1,787	**~7.0%**	**~93%–96%**	**~7%–11%**

Current Conditions

First-quarter 2026 research from Kidder Mathews placed Sacramento multifamily vacancy at 7.0% and average asking rent at $1,787 per unit, with year-over-year rent growth of only 0.2%. Colliers described occupancy as generally stable in the 95% to 96% range over the prior year while noting that rent growth had essentially flattened following substantial new deliveries.

Subject Property Rent Context

A recently advertised two-bedroom unit at 1805 V Street was offered at approximately $1,750 per month. That listing is broadly consistent with the regional average, but property-level underwriting should rely on current comparable units in the immediate neighborhood, adjusted for condition, unit layout, utilities, parking, laundry, and concessions.

Five-Year Forecast

The base-case forecast assumes 0% to 1.5% rent growth in the first year as the market absorbs recent deliveries, followed by approximately 1.5% to 2.5% annual growth in years two through five. This produces cumulative growth of roughly 7% to 11% over five years.

Risk Factors

- Tenant concessions or slower leasing during periods of elevated vacancy.
- New supply concentrated near major employment corridors.
- Affordability pressure limiting achievable rent increases.
- Higher insurance, maintenance, utilities, and compliance costs.

Rental Outlook: Balanced today, improving over the medium term. Conservative underwriting is appropriate for the next one to two years, with better rent-growth prospects as construction slows.

Cash Cow Market Score™ & Investment Outlook

Factor	Weight	Score	Weighted Points
Population Growth	15%	6.0 / 10	9.0
Employment Growth	15%	6.0 / 10	9.0
Income Growth	10%	7.0 / 10	7.0
Net Migration	10%	6.0 / 10	6.0
Rental Market Strength	15%	6.0 / 10	9.0
Rent Growth Forecast	10%	5.0 / 10	5.0
Housing Supply	10%	7.0 / 10	7.0
Housing Affordability	5%	7.0 / 10	3.5
Appreciation Potential	5%	6.0 / 10	3.0
Economic Stability	5%	8.0 / 10	4.0

OVERALL CASH COW MARKET SCORE™: 63 / 100 | MARKET GRADE: B

Cash Cow Bottom Line™

Sacramento County remains a solid long-term multifamily market supported by a stable government- and healthcare-anchored economy, improving population growth, positive household formation, and a sharply reduced construction pipeline. The market's current weakness is limited near-term rent growth, so investors should focus on realistic in-place income, verified operating expenses, and property-specific value-add opportunities.

Best Fit for Investors Seeking

- Stable long-term rental demand rather than speculative rapid growth.
- Moderate appreciation supported by constrained housing supply.
- A large, diversified California employment base.
- Opportunities to improve income through management, renovation, or below-market rents.

Primary Due-Diligence Priorities

- Verify each lease, deposit, rent amount, utility allocation, and delinquency history.
- Complete an immediate-submarket rent survey for comparable two-bedroom units.
- Confirm insurance costs, local compliance obligations, and deferred maintenance.
- Underwrite rent growth conservatively and stress-test vacancy and expenses.

Sources, Methodology & Disclaimer

Primary Sources

U.S. Census Bureau QuickFacts - Sacramento County, California
Population, income, housing, rent, homeownership, and county employment data.
https://www.census.gov/quickfacts/fact/table/sacramentocountycalifornia/PST045224

U.S. Bureau of Labor Statistics - Sacramento-Roseville-Folsom, CA
Metropolitan employment and unemployment data.
https://www.bls.gov/regions/west/ca_sacramento_msa.htm

Kidder Mathews - Sacramento Multifamily Market Report, Q1 2026
Average asking rent, vacancy, construction pipeline, and deliveries.
https://kidder.com/market-reports/sacramento-multifamily-market-report/

Colliers - Sacramento Multifamily Market Report, Q1 2026
Occupancy, rent trends, absorption, and supply commentary.
https://www.colliers.com/en/research/sacramento/sacramento-multifamily-market-report-2026-q1

Redfin / Zillow / Realtor.com property marketing pages
Subject property configuration, size, projected rents, and current asking information.
Property information supplied by the owner/agent and public marketing records for 1805 V Street, Sacramento, CA 95818.

Forecast Methodology

Where a current authoritative five-year county forecast was not available, this report uses a base-case analytical estimate derived from recent population changes, household formation, current employment conditions, multifamily construction, vacancy, and rent trends. Forecast ranges are intended for scenario planning and are not guarantees of future results.

Disclaimer

The information contained in this report has been compiled from sources believed to be reliable, including government agencies, recognized economic research organizations, and third-party real estate market providers. While reasonable care has been taken, no guarantee, warranty, or representation is made regarding the accuracy or completeness of the information.

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