

Sonoma County rents jumped in 2013

By **ROBERT DIGITALE THE PRESS DEMOCRAT on January 22, 2014, 6:55 PM**

Rents rose rapidly in Sonoma County last year and vacant apartments became increasingly scarce, according to two new reports that conclude the region has become one of the tightest rental markets in the nation.

The county's average rent jumped to \$1,438 last year, up 12.2 percent, the largest percentage increase among the 41 metropolitan areas tracked by RealFacts, a Novato-based apartment market research firm.

Only San Jose and San Francisco/Oakland had larger dollar increases in rents last year. San Jose's rents jumped 10.1 percent to \$2,153 and San Francisco/Oakland, which includes Marin County and a large swath of the Bay Area, saw rents increase 9.8 percent to \$2,044.

Another rent research firm, Dallas-based Axiometrics, ranked Sonoma County third among the 90 top metro areas for occupancy rates.

The firm found that 96.9 percent of the apartments in Sonoma County were occupied in December. Only two communities had higher occupancy rates: Naples, Fla., at 97.5 percent, and Lansing, Mich., at 97.0 percent.

Apartment rents changed little in Sonoma County during the Great Recession. But rents have been rising as the economy strengthens, increasing 3 percent in 2011 and nearly 5 percent in 2012.

The data cited in the two reports issued this week is skewed toward larger apartment complexes with more amenities, said Scott A. Gerber, senior vice president with Cassidy Turley, a commercial real estate firm in San Rafael.

“Everybody isn't getting squeezed 10 and 12 percent,” Gerber said. “They're not.”

Jock McNeill, president of Alliance Property Management in Santa Rosa, said property owners typically are raising rents about 5 percent when new tenants move into the homes and smaller multi-unit properties that he manages. Existing rates also are raised “as needed.”

The 700 units he manages are about 98 percent occupied, he said.

RealFacts spokesman Nick Grotjahn said rents are likely to keep rising because few new apartments will be built in Sonoma County, even as the economy improves.

Landlords, he said, “know when a unit becomes available, they'll have 10 people in line.”

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