

The Surf Apartments

140 E Orangeburg, Modesto CA 95350

The **SURF**

140

OFFERING MEMORANDUM

R RAND
COMMERCIAL PROPERTIES

The Surf Apartments

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01

Executive Summary

Investment Summary

Unit Mix Summary

Location Summary

THE SURF APARTMENTS

OFFERING SUMMARY

ADDRESS	140 E Orangeburg Modesto CA 95350
COUNTY	Stanislaus
MARKET	Stockton/Modesto
SUBMARKET	Modesto
BUILDING SF	18,254 SF
LAND SF	27,878 SF
LAND ACRES	.64
NUMBER OF UNITS	24
YEAR BUILT	1965
APN	031-011-029
OWNERSHIP TYPE	Fee Simple

FINANCIAL SUMMARY

PRICE	\$3,600,000
PRICE PSF	\$197.22
PRICE PER UNIT	\$150,000
OCCUPANCY	98.00 %
NOI (CURRENT)	\$186,629
NOI (Pro Forma)	\$246,192
CAP RATE (CURRENT)	5.18 %
CAP RATE (Pro Forma)	6.84 %
GRM (CURRENT)	11.95
GRM (Pro Forma)	10.16

DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
2023 Population	18,532	155,710	282,708
2023 Median HH Income	\$77,752	\$69,918	\$72,782
2023 Average HH Income	\$97,630	\$94,346	\$97,910



PROPERTY DESCRIPTION

- Uncover the Hidden Gem - Explore the Surf apartments, strategically positioned just steps from the vibrant McHenry Ave on Orangeburg Ave in Modesto. Boasting 22 one-bed, one-bath units, and 2 two-bed, one-bath units, this property presents a seamless fusion of accessibility and luxury for savvy investors aiming to amplify their returns.

Elevate Your Investment Game - Revel in the exceptional occupancy rates and minimal turnover experienced by this sought-after property. Unlock the potential to boost Net Operating Income (NOI) by aligning all rental rates with current market standards.

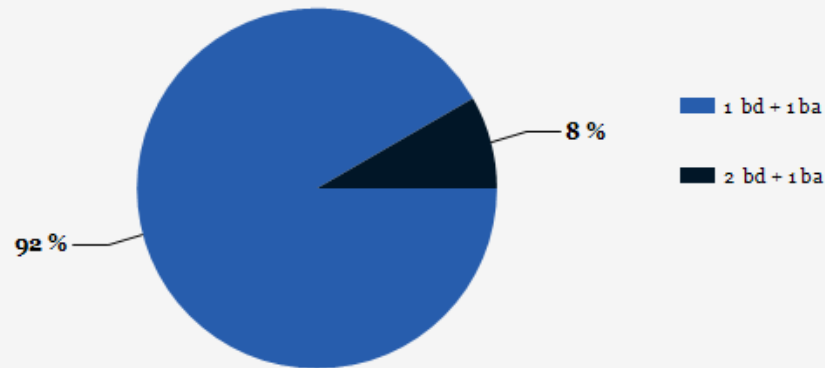
HIGHLIGHTS

- Secure & Serene Living - Enjoy the peace of mind that comes with The Surf's fully secured access, ample covered parking spaces, and charming outdoor recreational areas. This property is not just an investment, it's a lifestyle upgrade waiting for savvy buyers to seize the opportunity.
- Access to Transportation - Close proximity to public and private transit on two major thoroughfares.
- Unbeatable Investment Value - This property presents a rare chance for savvy investors to acquire a stable complex at a fraction of the current construction costs, ensuring an exceptional return on investment.

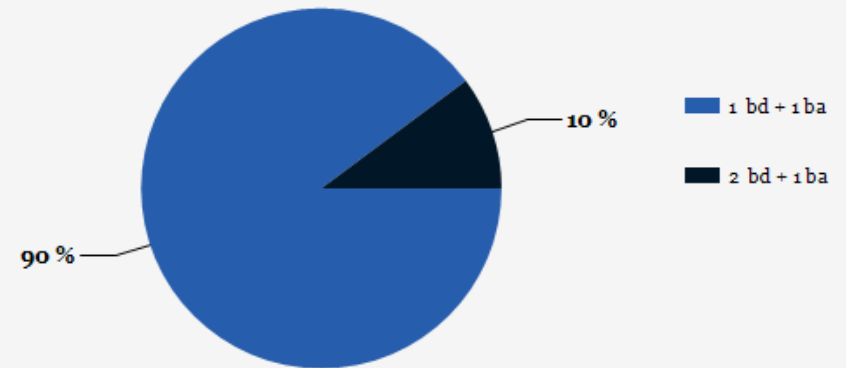


			Actual			Market		
Unit Mix	# Units	Square Feet	Current Rent	Rent PSF	Monthly Income	Market Rent	Market Rent PSF	Market Income
1 bd + 1 ba	22	640	\$1,009	\$1.58	\$22,195	\$1,200	\$1.88	\$26,400
2 bd + 1 ba	2	800	\$1,243	\$1.55	\$2,485	\$1,350	\$1.69	\$2,700
Totals/Averages	24	653	\$1,028	\$1.57	\$24,680	\$1,213	\$1.86	\$29,100

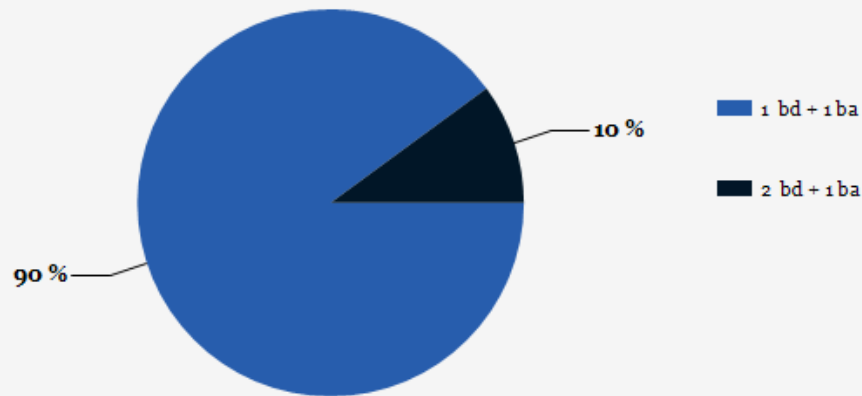
Unit Mix Summary



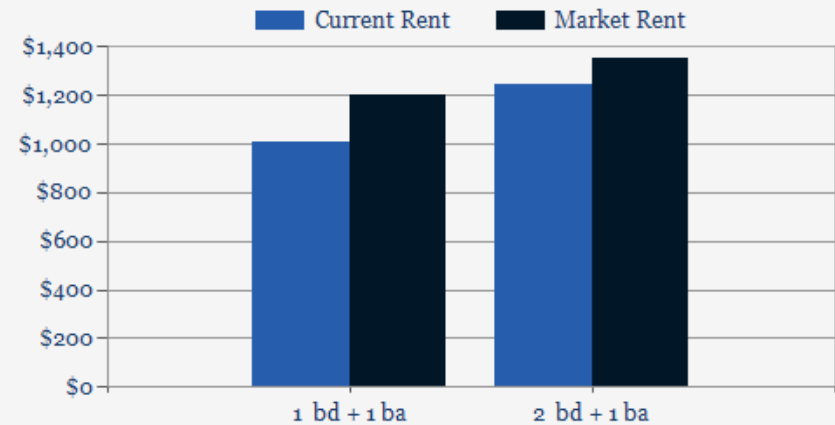
Unit Mix SF



Unit Mix Revenue



Actual vs. Market Revenue



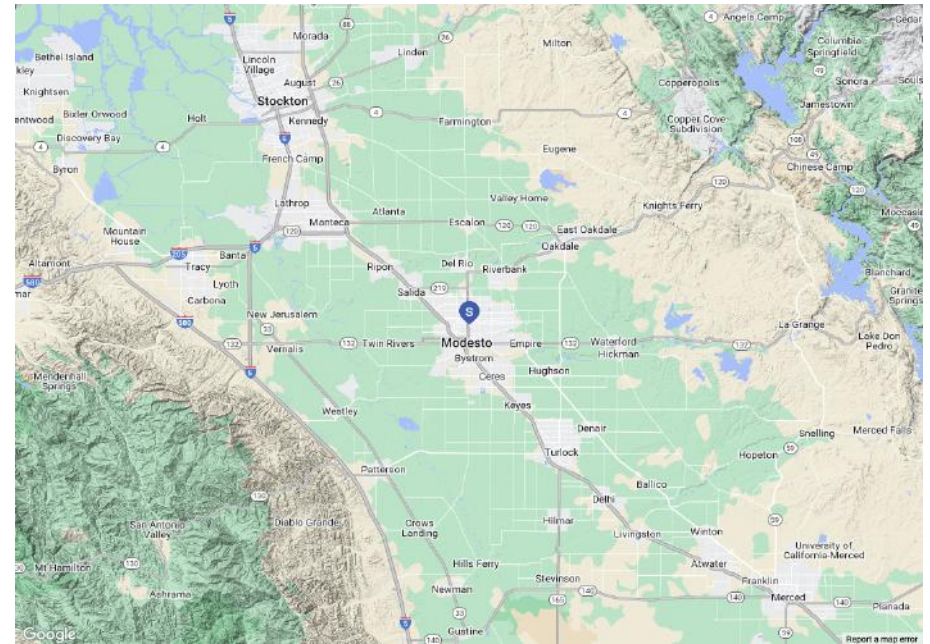
Modesto

- At The Surf in Modesto, CA, find a great place to live. In a location on E. Orangeburg Ave in Modesto's 95350 area, residents can easily connect with a number of points of interest within a few miles. This community offers a competitive amenity package including: high-speed internet access, recycling, and convenient on-site parking options. The leasing staff is waiting to show you all that this community has to offer. Stop by the leasing office to schedule a tour.

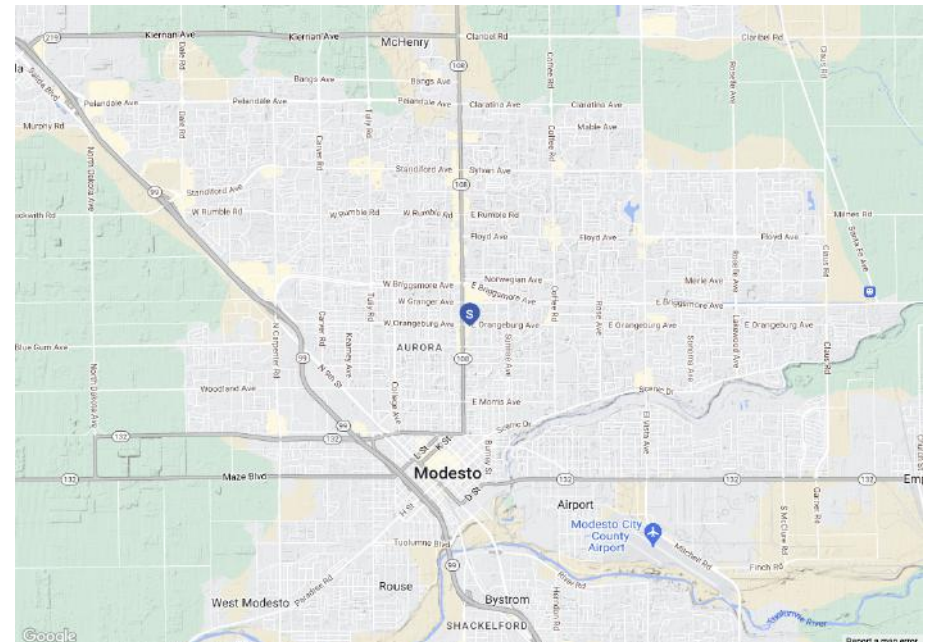
Stanislaus County

- The Modesto, CA MSA is located in the central valley of the state of California. Stanislaus County comprises the Modesto Metropolitan Statistical Area. Based on 2014 American Community Survey Statistics, the county had 531,997 residents. The Stanislaus County population is expected to reach 611,376 by 2025 according to state estimates.
- Two of California's major north-south transportation routes, Interstate 5 and Highway 99, intersect the area and the county has become one of the dominant logistics center locations on the west coast.
- Stanislaus County is situated 80 miles east of San Francisco, 300 miles north of Los Angeles, and 80 miles south of Sacramento. The region is noted for its agriculture and food processing. The county is situated in the agricultural heart of California's Central Valley.

Regional Map



Locator Map





02

Property Description

Property Features

Aerial Map

THE SURF APARTMENTS

PROPERTY FEATURES

NUMBER OF UNITS	24
BUILDING SF	18,254
LAND SF	27,878
LAND ACRES	.64
YEAR BUILT	1965
# OF PARCELS	1
ZONING TYPE	Apartments
BUILDING CLASS	B
TOPOGRAPHY	Flat
LOCATION CLASS	B
NUMBER OF STORIES	2
NUMBER OF BUILDINGS	2
NUMBER OF PARKING SPACES	24

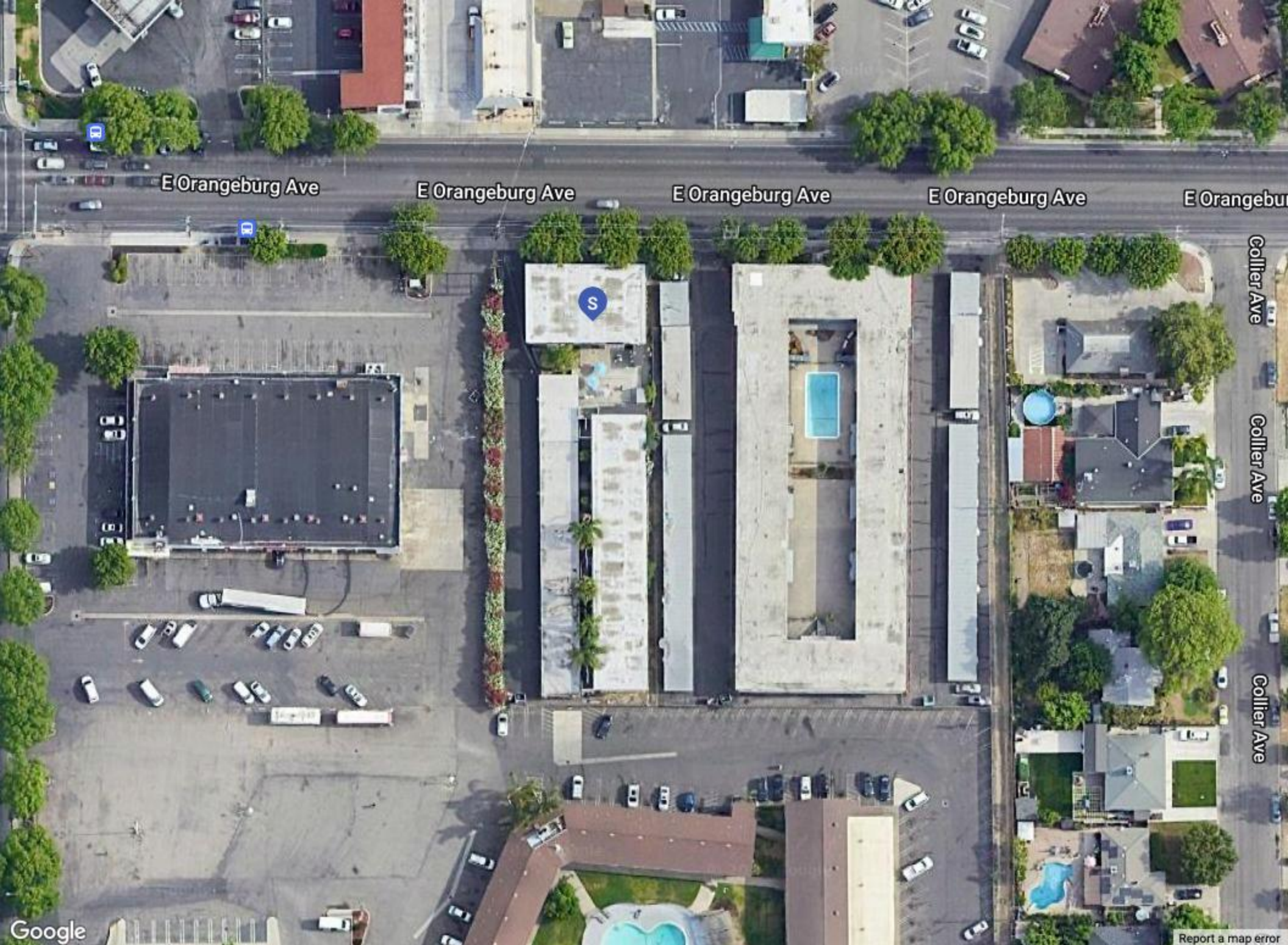
COMMUNITY AMENITIES

TRASH PICKUP	Central
GATED	Yes
PICNIC AREA	Yes
COVERED PARKING	Yes
LAUNDRY ROOM	Yes

APARTMENT FEATURES

BACK PORCH / BALCONY	Various
SECURITY SCREEN DOOR	Yes
FRIDGE & COOK TOP	Yes
GARBAGE DISPOSAL	Yes
HARDWOOD FLOORS	Various
GRANITE COUNTER	Various
HVAC	Wall Units





[Report a map error](#)



03

Rent Roll

Rent Roll

Unit	Unit Mix	Square Feet	Rent PSF	Current Rent	Market Rent	Notes
1	2 bd + 1 ba	800	\$1.69	\$1,350.00	\$1,350.00	(On Site Manager) Income Registered as a Management Fee
2	1 bd + 1 ba	600	\$1.53	\$915.00	\$1,200.00	
3	1 bd + 1 ba	600	\$1.83	\$1,100.00	\$1,200.00	
4	1 bd + 1 ba	600	\$1.64	\$985.00	\$1,200.00	
5	1 bd + 1 ba	600	\$1.83	\$1,100.00	\$1,200.00	
6	1 bd + 1 ba	600	\$2.00	\$1,200.00	\$1,200.00	
7	1 bd + 1 ba	600	\$1.83	\$1,100.00	\$1,200.00	
8	1 bd + 1 ba	600	\$1.83	\$1,100.00	\$1,200.00	
9	2 bd + 1 ba	800	\$1.42	\$1,135.00	\$1,350.00	
10	1 bd + 1 ba	600	\$1.67	\$1,000.00	\$1,200.00	
11	1 bd + 1 ba	600	\$1.83	\$1,100.00	\$1,200.00	
12	1 bd + 1 ba	600	\$1.58	\$950.00	\$1,200.00	
13	1 bd + 1 ba	600	\$1.50	\$900.00	\$1,200.00	
14	1 bd + 1 ba	700	\$1.41	\$985.00	\$1,200.00	
15	1 bd + 1 ba	600	\$1.71	\$1,025.00	\$1,200.00	
16	1 bd + 1 ba	600	\$1.52	\$910.00	\$1,200.00	
17	1 bd + 1 ba	700	\$1.34	\$935.00	\$1,200.00	
18	1 bd + 1 ba	700	\$1.39	\$970.00	\$1,200.00	
19	1 bd + 1 ba	700	\$1.46	\$1,025.00	\$1,200.00	
20	1 bd + 1 ba	700	\$1.57	\$1,100.00	\$1,200.00	
21	1 bd + 1 ba	700	\$1.34	\$940.00	\$1,200.00	
22	1 bd + 1 ba	700	\$1.57	\$1,100.00	\$1,200.00	
23	1 bd + 1 ba	700	\$1.39	\$970.00	\$1,200.00	
24	1 bd + 1 ba	700	\$1.12	\$785.00	\$1,200.00	
Totals/Averages		15,700	\$1.58	\$24,680.00	\$29,100.00	



04

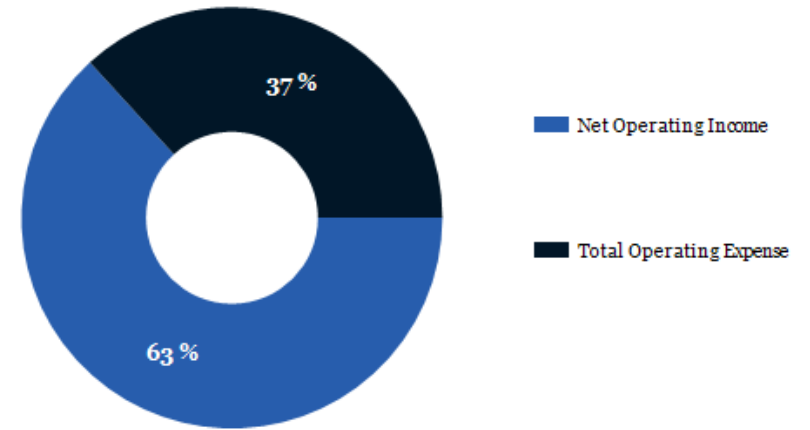
Financial Analysis

Income & Expense Analysis

THE SURF APARTMENTS

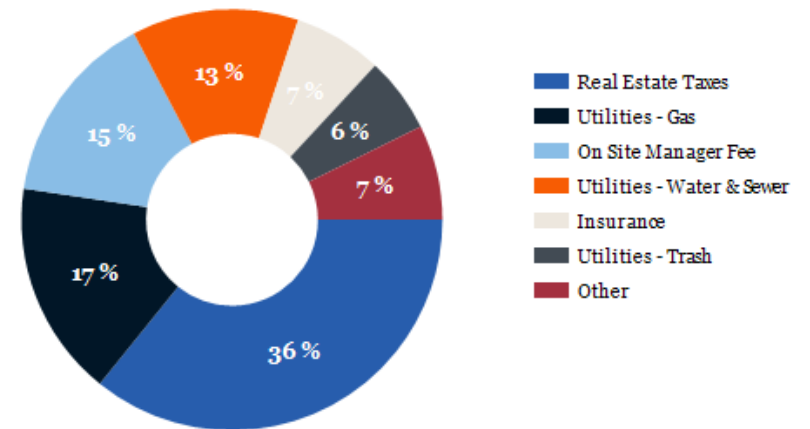
REVENUE ALLOCATION CURRENT

INCOME	CURRENT		PRO FORMA	
Gross Scheduled Rent	\$296,160	98.3 %	\$349,200	98.6 %
Laundry	\$5,000	1.7 %	\$5,000	1.4 %
Gross Potential Income	\$301,160		\$354,200	
General Vacancy	-\$5,923	2.0 %		
Effective Gross Income	\$295,237		\$354,200	
Less Expenses	\$108,608	36.78 %	\$108,008	30.49 %
Net Operating Income	\$186,629		\$246,192	



EXPENSES	CURRENT	Per Unit	PRO FORMA	Per Unit
Real Estate Taxes	\$38,880	\$1,620	\$38,880	\$1,620
Insurance	\$7,412	\$309	\$7,412	\$309
On Site Manager Fee	\$16,200	\$675	\$15,600	\$650
Utilities - Electric	\$840	\$35	\$840	\$35
Utilities - Water & Sewer	\$13,908	\$580	\$13,908	\$580
Utilities - Trash	\$6,288	\$262	\$6,288	\$262
Utilities - Gas	\$18,000	\$750	\$18,000	\$750
Repairs and Maintenance	\$3,000	\$125	\$3,000	\$125
Landscaping	\$2,700	\$113	\$2,700	\$113
Pest Control	\$1,380	\$58	\$1,380	\$58
Total Operating Expense	\$108,608	\$4,525	\$108,008	\$4,500
Expense / SF	\$5.95		\$5.92	
% of EGI	36.78 %		30.49 %	

DISTRIBUTION OF EXPENSES CURRENT



Expense Notes: Property Taxes Based on Purchase Price at 1.08%
On Site Manager Rent Credit of \$1,300/mo
Gas is paid by LL and tenants reimburse during winter



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Demographics

Demographics

THE SURF APARTMENTS

POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	17,534	144,781	243,319
2010 Population	16,801	144,769	263,443
2023 Population	18,532	155,710	282,708
2028 Population	18,384	156,287	282,973
2023 African American	683	6,403	10,262
2023 American Indian	356	3,182	5,696
2023 Asian	874	11,545	22,091
2023 Hispanic	6,246	66,942	138,380
2023 Other Race	2,995	35,193	77,048
2023 White	10,619	73,627	120,990
2023 Multiracial	2,878	24,172	43,783
2023-2028: Population: Growth Rate	-0.80 %	0.35 %	0.10 %
2023 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	552	5,215	8,035
\$15,000-\$24,999	525	3,623	5,842
\$25,000-\$34,999	494	3,591	5,971
\$35,000-\$49,999	664	6,061	10,150
\$50,000-\$74,999	1,093	10,259	17,465
\$75,000-\$99,999	1,080	7,060	12,121
\$100,000-\$149,999	1,527	10,750	18,538
\$150,000-\$199,999	607	4,433	7,967
\$200,000 or greater	428	3,430	6,623
Median HH Income	\$77,752	\$69,918	\$72,782
Average HH Income	\$97,630	\$94,346	\$97,910

HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	7,118	53,195	83,931
2010 Total Households	6,690	51,386	86,757
2023 Total Households	6,970	54,423	92,711
2028 Total Households	6,920	54,682	93,029
2023 Average Household Size	2.60	2.82	3.02
2000 Owner Occupied Housing	4,074	29,187	48,212
2000 Renter Occupied Housing	2,857	22,187	32,708
2023 Owner Occupied Housing	3,658	28,878	51,946
2023 Renter Occupied Housing	3,312	25,545	40,765
2023 Vacant Housing	301	1,890	2,979
2023 Total Housing	7,271	56,313	95,690
2028 Owner Occupied Housing	3,674	29,303	52,670
2028 Renter Occupied Housing	3,246	25,379	40,359
2028 Vacant Housing	348	1,942	3,101
2028 Total Housing	7,268	56,624	96,130
2023-2028: Households: Growth Rate	-0.70 %	0.45 %	0.35 %



Source: esri

2023 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2023 Population Age 30-34	1,284	11,892	22,354
2023 Population Age 35-39	1,311	10,283	19,225
2023 Population Age 40-44	1,143	9,383	17,308
2023 Population Age 45-49	1,015	8,181	14,987
2023 Population Age 50-54	1,064	8,597	15,690
2023 Population Age 55-59	1,151	9,169	15,890
2023 Population Age 60-64	1,156	9,396	15,878
2023 Population Age 65-69	1,152	8,717	14,175
2023 Population Age 70-74	919	7,212	11,422
2023 Population Age 75-79	593	4,858	7,551
2023 Population Age 80-84	409	3,064	4,703
2023 Population Age 85+	595	3,308	4,725
2023 Population Age 18+	14,573	119,959	212,306
2023 Median Age	40	37	35

2023 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$78,768	\$74,169	\$76,256
Average Household Income 25-34	\$95,554	\$93,412	\$95,890
Median Household Income 35-44	\$90,217	\$82,974	\$85,042
Average Household Income 35-44	\$111,910	\$107,312	\$110,978
Median Household Income 45-54	\$92,046	\$86,821	\$88,105
Average Household Income 45-54	\$111,049	\$109,953	\$112,891
Median Household Income 55-64	\$87,148	\$76,194	\$77,890
Average Household Income 55-64	\$109,007	\$100,111	\$103,646
Median Household Income 65-74	\$66,413	\$60,464	\$62,334
Average Household Income 65-74	\$90,234	\$86,517	\$89,432
Average Household Income 75+	\$68,814	\$70,356	\$70,806

2028 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2028 Population Age 30-34	1,224	11,623	22,119
2028 Population Age 35-39	1,224	11,666	22,201
2028 Population Age 40-44	1,258	10,066	18,639
2028 Population Age 45-49	1,107	9,125	16,490
2028 Population Age 50-54	991	7,956	14,232
2028 Population Age 55-59	1,004	8,120	14,490
2028 Population Age 60-64	1,060	8,391	14,242
2028 Population Age 65-69	1,048	8,383	13,860
2028 Population Age 70-74	1,027	7,631	12,200
2028 Population Age 75-79	775	5,908	9,233
2028 Population Age 80-84	493	3,873	5,902
2028 Population Age 85+	581	3,535	5,185
2028 Population Age 18+	14,473	120,322	212,527
2028 Median Age	41	38	36

2028 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$85,649	\$82,634	\$84,972
Average Household Income 25-34	\$106,947	\$105,607	\$108,846
Median Household Income 35-44	\$100,883	\$93,609	\$96,710
Average Household Income 35-44	\$126,231	\$121,004	\$125,609
Median Household Income 45-54	\$101,813	\$98,219	\$100,072
Average Household Income 45-54	\$125,221	\$123,918	\$127,152
Median Household Income 55-64	\$101,183	\$87,137	\$89,354
Average Household Income 55-64	\$126,280	\$114,852	\$119,374
Median Household Income 65-74	\$81,484	\$70,950	\$74,608
Average Household Income 65-74	\$107,345	\$100,986	\$104,907
Average Household Income 75+	\$84,997	\$84,901	\$86,155

The Surf Apartments

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