

RECORD \$17.2M SALE

Union North apartment complex sale reflects hot Manteca market



DENNIS WYATT

Manteca Bulletin

Updated: Oct. 18, 2018, 1:46 a.m.



How hot is the Manteca apartment market?
Here are three clues:

The 91-unit Union North apartment complex on North Union Road has been sold for a record \$17.2 million.

Manteca now has apartments renting for more than \$2,000 a month. Paseo Villas on Atherton Drive has two floorplans renting for as high as \$2,015. They are the three bedrooms, two bathroom plan with 1,292 square feet and a two bedroom, two bathroom plan with 1,217 square feet.

The smallest apartment among the complexes in Manteca built after 1970 is renting for \$1,055. That's a 460-square-foot studio apartment in Westwood Village on West Center Street. Next door in the Stonegate Apartment complex the smallest one bedroom, one bathroom apartment in the post-1970 offerings in Manteca with 538 square feet is commanding \$1,265 a month.

The sale of Union North that was built in two phases — the first in 1974 and the second in 1979 — set a record price per square foot for an existing apartment complex in the Manteca-Lathrop-Ripon area. That translates into \$229 per square foot or \$186,957 per unit.

To put that in perspective the 164-unit Tesoro Apartments at Atherton Drive and Van Ryn Avenue now under construction is costing more than \$30 million, or just over \$190,000 per unit. The Tesoro complex targeted for a mid-2019 completion is being built as a luxury apartment complex in the same category of the 293-unit Paseo Villas to the west across Van Ryn Avenue.

“At a price of over \$186,000 per unit, this transaction represents a record for apartment communities in the submarket. The record setting price is attributable to several factors, including a lack of available inventory, our proprietary exchange platform, the high quality of the asset, and strong rental growth in the submarket,” said Otto Ozen, Executive Vice President of The Mogharebi Group (TMG) that handled the sale of the Union North complex. “We aggressively marketed Union North in Manteca to our list of high net worth private as well as exchange buyers. The asset provided a solid value-add opportunity and generated great interest in the market and resulted in multiple offers.”

Otto Ozen, Robin Kane and Brendan Kane of TMG represented the seller, a real estate acquisition firm located in the Bay Area and the Clovis based buyer.

Plans are now moving forward for the city's largest ever apartment complex consisting of 400 units immediately east of Bass Pro Shops on land sandwiched between the 120 Bypass and Atherton Drive.

Union North is a one and two story, 91-unit apartment community comprised of 23 residential buildings totaling 74,319 rentable square feet and situated on a 6.55-acre site. Union North features spacious two- and three-bedroom townhomes with an average size of 817 square feet. Each unit features a washer / dryer, large private patio, and an attached parking garage. The community also boasts a swimming pool and relaxing spa, outdoor picnic area with BBQs, and controlled access.

The Union North complex's website currently lists several two bedroom, two bathroom units with 1,655 square feet available for \$1,655 to \$1,680 a month.

By comparison the most expensive one bedroom, one bathroom apartment in Manteca is a 737-square-foot floorplan at Paseo Villas that's available for \$1,615 to \$1,715 per month.