

# The Modesto Bee

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The sale of a Modesto apartment complex — for \$16.5 million — might be good for the investors, but it also reflects the trend of rising rents and the shortage of rental housing in Stanislaus County.

The Mogharebi Group brokerage firm said it received multiple offers from investors on the Chardonney Ridge Apartments on Celeste Drive because of the desirability of “super-commuter” cities on the fringe of the Bay Area.

Working adults are considered super commuters if their drive to work is 90-plus minutes one way, and an increasing number of Bay Area employees are renting housing in the cities of the Northern San Joaquin Valley. Records show that CH Sea Tac LLC purchased the 115-unit Chardonney complex in July from a private investor in Southern California who had owned the complex for two and a half years. The seller previously purchased the two-story complex for \$12.52 million in January 2017. CH Sea Tac paid \$143,478 per apartment unit, or \$193 per square foot of space. That’s a record for 1970s vintage apartment properties in the local market, Mogharebi said in a news release.

“There is a strong demand for this type of real estate because of the rental prices in the Bay Area,” said Brian Nakamura, a spokesman for the brokerage firm. “What you are seeing is commuters are going out from the Bay Area to Manteca and Modesto, where you have the cheaper rents.”

Nakamura said the low interest rates make it easier to finance multimillion-dollar transactions like the Chardonney deal. The shortage of housing inventory serves to increase the value of apartment properties in the Modesto area. “A lot of owners are not selling. When they do sell, there are a lot more buyers,” Nakamura said.

Mogharebi said a private investment group from San Francisco purchased the Modesto complex. According to records, CH Sea Tac is a limited liability corporation managed by Graham Chernoff and Josie Chernoff, who are president and chief operating officer of Cumberland Holdings, respectively.

Chardonney Ridge has one-, two- and three-bedroom apartment units, with the rents ranging from \$1,050 to \$1,600, according to ApartmentFinder.com.

The amenities include an outdoor pool, fitness center, covered parking and laundry facilities. Residents can send their kids to schools in Sylvan Union School District.

According to Apartment List data, 8.7 percent of the full-time work force in Modesto drove more than 90 minutes to work in 2017, an increase from 5.4 percent of the work force in 2005. The median income of those long-distance commuters was \$63,000 a year, much higher than the \$43,250 median income of Modesto residents driving less than 90 minutes to work.