



# RAMADA MODESTO

1525 McHenry Avenue | Modesto, CA 95350

Hospitality  
Investment Opportunity

Offering Memorandum



KEY INVESTMENT HIGHLIGHTS GENERATING DEMAND

**\$4.4M CONVERSION**  
Completed in 2022

**±0.2 MI | 461 BEDS**  
Doctors Medical Center

**MATTHEWS™**



## Exclusively Listed By



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# PROPERTY OVERVIEW

  
**RAMADA**  
1525 McHenry Ave | Modesto, CA 95350





# | Executive Summary

**1525 McHenry Avenue**

Modesto, CA 95350

**91**

Total Keys

**\$1,963,000**

2025 Revenue

**2022**

Recent Renovation

## The Opportunity

The **Ramada Modesto** is a recently renovated and rebranded legacy asset that has been professionally operated for the past three years, while still offering meaningful upside for a new owner to complete the final phase of stabilization. The property presents a compelling opportunity for an experienced owner-operator to drive both **top-line growth and margin expansion** through hands-on management.

Located in **Modesto, one of the most dominant MSAs along California's Highway 99 corridor**, the asset benefits from strong in-place demand fundamentals and a diverse mix of commercial, medical, and transient lodging drivers. These dynamics provide a solid foundation for continued revenue growth while implementing cost-control efficiencies.

Operationally, the hotel demonstrates **stable performance and strong guest satisfaction** within its competitive set. Current **RevPAR Index of 73.7% and ADR Index of 77.5%** rank near the bottom of the comp set, despite the asset being the newest property in the grouping. These metrics underscore the hotel's ability to gain market share as brand awareness, pricing power, and operational efficiencies continue to improve.

The property is **currently non-owner operated**, resulting in an expense profile that exceeds typical benchmarks for a sub-100-key midscale hotel. A hands-on owner-operator or regional hotelier with existing infrastructure can leverage portfolio-level efficiencies, local staffing, and entrepreneurial revenue strategies to materially **enhance NOI margins**. This combination of in-place stability and operational upside positions the Ramada Modesto as a differentiated value-add opportunity within one of California's strongest secondary lodging markets.



# The Opportunity

|                           |                                                     |
|---------------------------|-----------------------------------------------------|
| Total Keys                | 91                                                  |
| Address                   | 1525 McHenry Ave                                    |
| City, ST                  | Modesto, CA                                         |
| Year Built/Year Remodeled | 1972/2022                                           |
| Building Size (SF)        | ±39,173 SF                                          |
| Lot Size (AC)             | ±1.88 AC                                            |
| Class                     | Midscale                                            |
| Corridor                  | Exterior                                            |
| Number of Buildings       | One (1)                                             |
| Stories                   | Two (2)                                             |
|                           |                                                     |
| Hotel Location Type       | Suburban                                            |
| Market Name               | California North/Central                            |
| Submarket Name            | Stockton/Modesto                                    |
| Daily Traffic Counts      | ±34,000 VPD (McHenry Ave)                           |
| 5-Mile Population         | 281,265 People                                      |
| 5-Mile Household Income   | \$92,110                                            |
| Demand Drivers            | Interstate Travel, Yosemite, Doctors Medical Center |
| Amenities                 | Banquet Facilities, Business Center, Fitness Center |





# Investment Highlights

## Turnkey, Fully Renovated Asset

Completed in 2022, the property underwent a full down-to-the-studs renovation totaling over \$4.4 million. All major systems and finishes were upgraded, leaving no near-term capital expenditures anticipated and offering a true turnkey acquisition.

## Institutional-Grade Brand Affiliation

Flagged as a Ramada by Wyndham, the property benefits from affiliation with a globally recognized brand that drives consistent demand across leisure, corporate, and transient segments.

## High-Visibility Location with Strong Demand Drivers

Located on McHenry Avenue, a key commercial corridor with  $\pm 34,000$  vehicles per day and direct access to Highway 99, the hotel is adjacent to Doctors Medical Center Modesto and across from McHenry Village shopping center, both of which generate year-round lodging demand and visibility.

## Operational Upside with Continued Stabilization

Now in its fourth full year post-redevelopment, the asset remains in stabilization. STR data shows underperformance versus lower-tier competitors, creating an opportunity for an experienced operator to enhance performance through revenue management and cost controls.

## Robust Demographic and Economic Context

Positioned in Modesto at the heart of California's Central Valley, the property benefits from a strong agricultural and industrial economy. The surrounding area supports demand with  $\pm 281,000$  residents within five miles and an average household income of \$92,821.





# Amenities



- 100% Smoke-Free Hotel
- 24-Hour Front Desk
- Banquet Facilities
- Bus/Truck Parking
- Business Center
- Daily Housekeeping
- Early Check-in Available
- Express Check-in
- Fitness Center
- Free Parking
- Free WiFi
- Late Check-out Available
- Meeting Room
- Multilingual Staff
- On-Site Guest Laundry
- Pet Friendly
- RV Parking
- Sundries/Mart





## Interior Photos



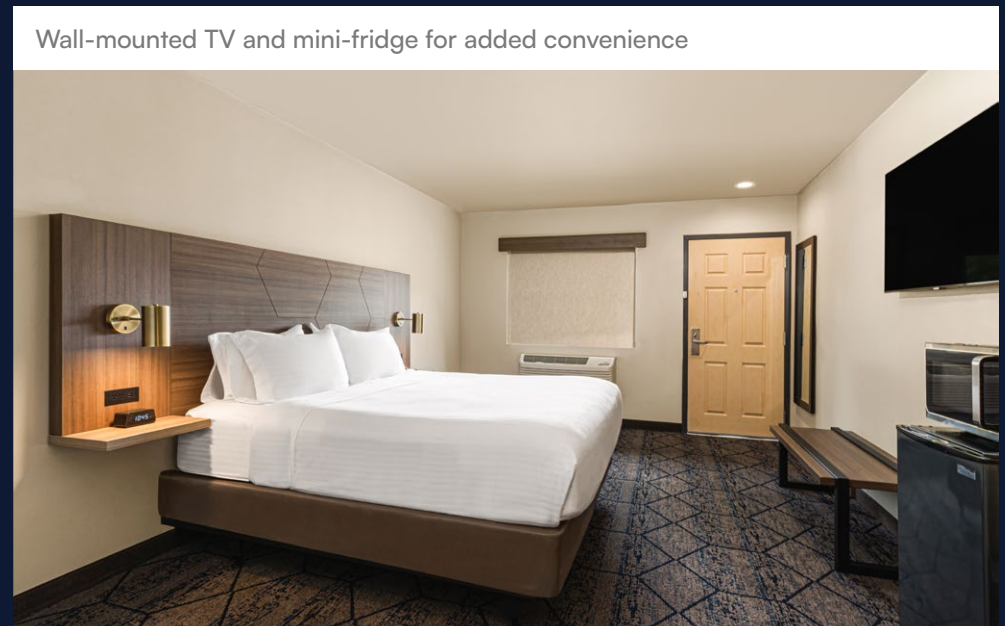
Bright, spacious layout with modern guest comfort in mind



Sleek double-sink vanity streamlines morning routines



In-room desk setup caters to business travelers



Wall-mounted TV and mini-fridge for added convenience



# Submarket Overview

## 12-Month Stockton/Modesto Hotel Performance, Sales, & Supply

|                                           |              |
|-------------------------------------------|--------------|
| Inventory of Rooms                        | 9,074        |
| Existing Motels & Hotels                  | 130          |
| Average Rooms Per Building                | 70           |
| New Hotels Delivered in Past 12 Months    | One (1)      |
| Transactions in Past 12 Months            | Five (5)     |
| 12 Month Sales Volume                     | \$33,300,000 |
| Average Submarket Price/Key (All Classes) | \$143,000    |
| Submarket Average Cap Rate                | 8.30%        |







**Yosemite National Park**  
±83 Miles Away  
±4 Million Annual Visitors

*Dutch Hollow*  
**FARMS**

 **Modesto**  
AmTrak Station

**+** **Memorial Medical Center**  
±419 Beds

**+** **Stanislaus Surgical Hospital**  
±23 Beds

**+** **Central Valley Specialty Hospital**  
±96 Beds

 **Modesto City-County Airport**  
±4.3 Miles Away

 **CSU Stanislaus**  
±10,000 Students  
±14.5 Miles Away

**FUNWORKS!**

 **Abrams College**  
Modesto

 **SEU NorCal**  
±13,000 Students

 **SAFeway**

**+** **Elite Urgent Care**

  
**BOYETT PETROLEUM**  
Headquarters

**McHenry Mansion**

**McHenry Village**  
   
   
 

 **BARNES & NOBLE**  
  
 

  
Headquarters


**Subject Property**

**+** **Doctors Medical Center**  
±461 Beds

**City of Modesto**  
Government Offices

 **MID** Modesto  
Irrigation District

**Modesto Arch**



 **GALLO CENTER**  
FOR THE ARTS

  
**E&J Gallo Winery**

Google Earth

**SALIDA AG**


**Vintage Faire Mall**  
   
   
 

 **Modesto Jr. College**  
±24,000 Students

  
Where it All Began!



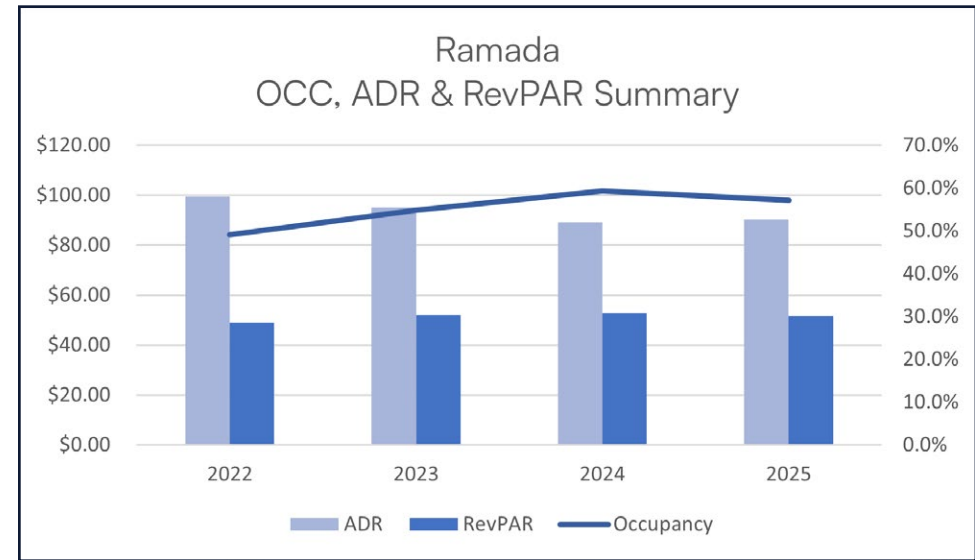
# Comp Set Performance

## Comp Set Performance

| Year | Occupancy |          |           |        | ADR     |          |           |        | RevPAR  |          |           |        |
|------|-----------|----------|-----------|--------|---------|----------|-----------|--------|---------|----------|-----------|--------|
|      | Ramada    | Comp Set | MPI Index | Rank   | Ramada  | Comp Set | ARI Index | Rank   | Ramada  | Comp Set | RGI Index | Rank   |
| 2022 | 49.1%     | 64.6%    | 76.1      | 5 of 5 | \$99.57 | \$121.78 | 81.8      | 4 of 5 | \$48.93 | \$78.62  | 62.2      | 5 of 5 |
| 2023 | 54.9%     | 61.3%    | 89.5      | 3 of 5 | \$95.05 | \$126.98 | 74.9      | 4 of 5 | \$52.18 | \$77.86  | 67.0      | 3 of 5 |
| 2024 | 59.3%     | 57.0%    | 104.0     | 2 of 5 | \$89.22 | \$121.65 | 73.3      | 5 of 5 | \$52.87 | \$69.30  | 76.3      | 3 of 5 |
| 2025 | 57.2%     | 63.1%    | 90.6      | 3 of 5 | \$90.37 | \$117.57 | 76.9      | 5 of 5 | \$51.67 | \$74.19  | 69.6      | 5 of 5 |

## Comp Set

| Hotel                                       | Keys | Open Date     |
|---------------------------------------------|------|---------------|
| Ramada by Wyndham Modesto Yosemite Area     | 91   | December 2021 |
| Spark by Hilton Modesto                     | 68   | May 2024      |
| Best Western Town House Lodge               | 56   | June 1958     |
| Modesto Inn                                 | 77   | April 1980    |
| Holiday Inn Express & Suites Modesto Salida | 95   | March 2007    |
|                                             | 387  |               |





# MARKET OVERVIEW

  
**RAMADA**  
1525 McHenry Ave | Modesto, CA 95350





# Modesto, CA

## Market Demographics



**220,592**

Total Population

**\$77,889**

Median HH Income

**72,418**

# of Households

**58.40%**

Homeownership Rate

**61.6%**

Employed Population

**20.3%**

% Bachelor's Degree

**35.4**

Median Age

**\$415,600**

Median Property Value

## Local Market Overview

Modesto is one of the largest inland cities in California's Central Valley, serving as a key regional hub between the Bay Area and Sierra foothills. The city's population is growing, with estimates showing approximately 220,592 residents, and a modest year-over-year increase reflecting stable demographic momentum.

Modesto's median household income sits near ~\$77,889, indicative of a working and middle-income base supporting local consumption and travel demand. The area's workforce participates across sectors including retail, healthcare, education, transportation, and logistics — all of which contribute to consistent hotel demand throughout the year. The city's accessibility to Highway 99 and its strategic location within the Stanislaus County hospitality corridor also generate significant transient business and leisure travel, particularly from visitors en route to Yosemite and other Central California destinations.

## Property Demographics

| POPULATION                 | 1-MILE   | 3-MILE   | 5-MILE   |
|----------------------------|----------|----------|----------|
| 2020 Population            | 17,769   | 152,300  | 278,292  |
| 2025 Population            | 18,114   | 153,877  | 281,265  |
| 2030 Population Projection | 18,179   | 154,174  | 281,825  |
| HOUSEHOLDS                 | 1-MILE   | 3-MILE   | 5-MILE   |
| 2020 Households            | 6,648    | 53,576   | 91,141   |
| 2025 Households            | 6,788    | 54,071   | 92,110   |
| 2030 Household Projections | 6,813    | 54,155   | 92,285   |
| INCOME                     | 1-MILE   | 3-MILE   | 5-MILE   |
| Avg Household Income       | \$95,957 | \$90,593 | \$92,821 |



# Economic Drivers

## Modesto blends a diverse logistics and agri-trade base with growing activity in food production, healthcare, and education services.

Located in California's Central Valley, Modesto provides direct access to Highways 99 and 108 and proximity to Yosemite, Sierra foothills visitor corridors, and the Bay Area economic region.

### Economic Drivers

Modesto's economy remains anchored in transportation, warehousing, and agriculture processing, which continue to support stable employment, while expansion in healthcare, education, and distribution strengthens broader non-cyclical demand. Major institutions such as California State University Stanislaus, community hospitals, agribusiness processors, and regional logistics hubs bolster local demand for lodging, services, and commercial activity.

### Primary Industries

Modesto's economy is supported by a mix of key sectors, led by logistics and distribution. Food and beverage production, agriculture support services, and healthcare and social assistance provide stable employment for the region. Retail trade and educational services contribute to everyday services and local economic activity.

### Top Employers

- Gallo Winery / agribusiness and food processing
- California State University, Stanislaus / higher education
- Memorial Medical Center / regional healthcare
- Modesto City Schools / education systems
- Amazon Logistics / distribution and warehousing

### Local Demand Drivers Increasing Business

Modesto's hotel demand is supported year-round by regional healthcare facilities, including Memorial Medical Center and Doctors Medical Center, which generate consistent overnight stays. California State University, Stanislaus draws visitation through academic events and athletic programs. The area also sees strong weekend demand from regional sports tournaments, weddings, and family travel, along with transient traffic from Yosemite-bound tourists and Highway 99 travelers.

## \$38.2B+

Regional Gross Domestic Product

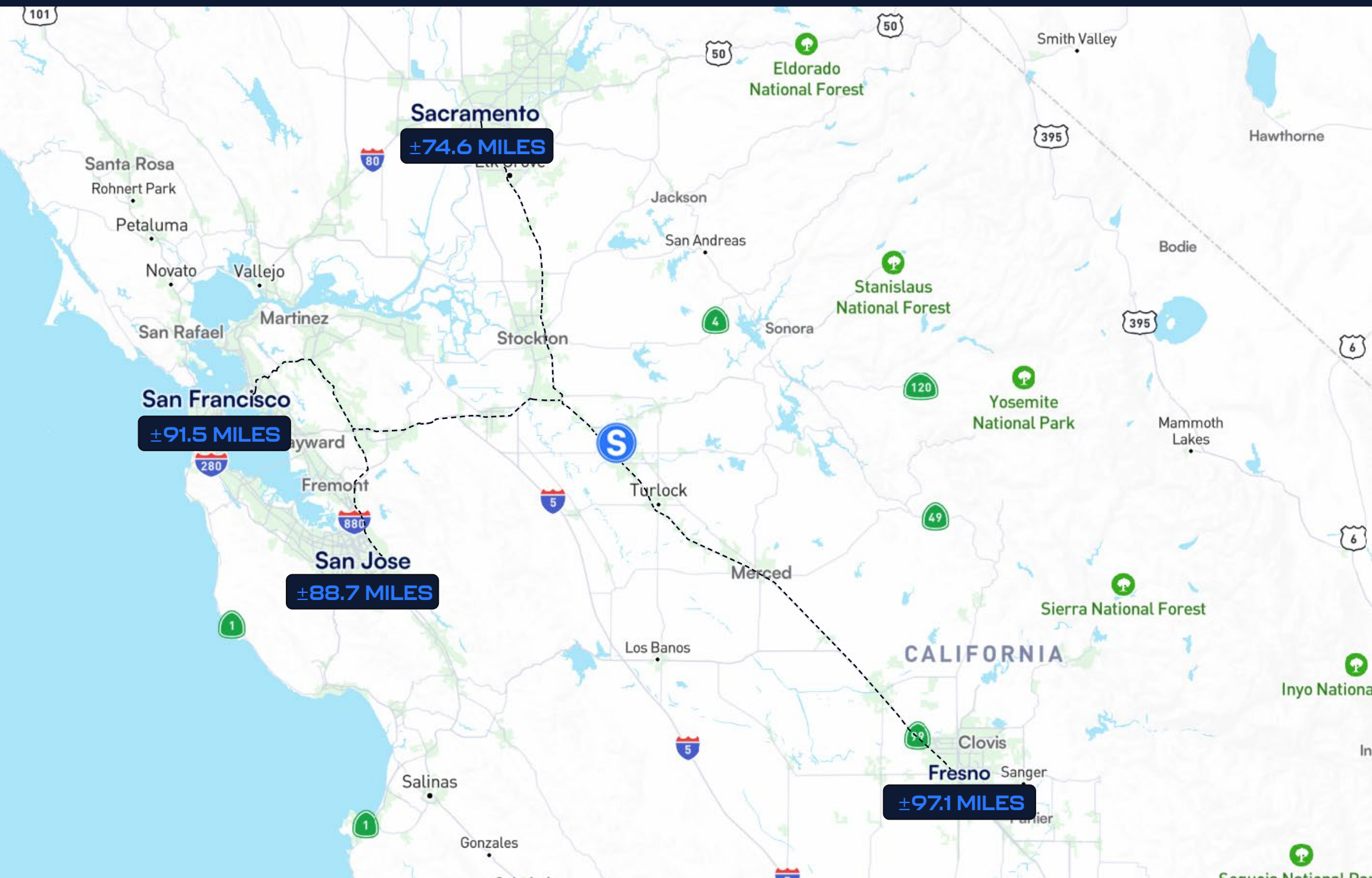
## 1.2M+ Passengers

Modesto City-County Airport





# Regional Map





# FINANCIAL OVERVIEW

  
**RAMADA**  
1525 McHenry Ave | Modesto, CA 95350





# Financial Overview

## Hotel Valuation

**\$8,495,000**

List Price

**\$93,400**

Price Per Key  
*35% Below Submarket Average*





# RENTAL INCOME-PRODUCING PARKING LOT INCLUDED IN THE SALE

  
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# Additional Income | Parking Lot

| Term              | Monthly    | Annual    |
|-------------------|------------|-----------|
| 2/1/21 - 12/31/21 | \$2,700.00 | \$29,700  |
| 1/1/22 - 12/31/22 | \$3,100.00 | \$37,200  |
| 1/1/23 - 7/30/23  | \$3,100.00 | \$37,200  |
| 8/1/23 - 7/31/24  | \$3,500.00 | \$42,000  |
| 8/1/24 - 7/31/25  | \$3,700.00 | \$44,400  |
| 8/1/25 - 7/31/26  | \$4,100.00 | \$49,200  |
| 8/1/26 - 7/31/27  | \$4,500.00 | \$54,000  |
| 8/1/27 - 7/31/28  | \$4,900.00 | \$58,800  |
| Total             |            | \$352,500 |



PARKING LOT

The highlighted parcel (included with the hotel) is currently leased to the neighboring hospital (Doctor's Medical Center) on a NNN lease. This parcel is separate from the hotel, but is included in the sale price.



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**David Harrington** | Broker of Record | License No. 02168060 (CA)

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