

Caliente Tropics Resort

PALM SPRINGS, CALIFORNIA
411 E. PALM CANYON DRIVE

ICONIC 92-ROOM BOUTIQUE RESORT | VALUE-ADD INVESTMENT OPPORTUNITY
SIGNIFICANT REVPAR & ADR GROWTH OPPORTUNITY

OFFERED AT \$7,750,000



BELOW PRIOR OFFERING PRICE (\$9,100,000 → \$7,750,000)



CalDRE #01462012

EXCLUSIVELY LISTED BY:

Steve Lyle
t 760-578-9927
stevelyle@cbclyle.net
CA RE Lic. #00762911

Michael Lyle
t 760-774-6533
mlyle@cbclyle.net
CA RE Lic. #02002995

CALIENTE TROPICS RESORT

INVESTMENT HIGHLIGHTS

- **Prime Palm Springs Location:** Located in the heart of Palm Springs, the property benefits from strong tourism demand, walkability, and proximity to major hotels, restaurants, and entertainment destinations.
- **Boutique Resort Asset:** This 92-room hotel featuring a diverse mix of guest rooms and suites, offering a unique, low-rise resort-style layout consistent with Palm Springs hospitality trends.
- **Value-Add Opportunity:** Opportunity to increase revenue through ADR growth, operational efficiencies, and repositioning to align with higher-performing boutique and lifestyle hotel concepts.
- **Proven Operating History:** The property demonstrates consistent revenue generation with strong seasonal performance and established market presence.
- **ADR Growth Potential:** Historical performance supports the ability to push room rates during peak demand periods, with additional upside through professional revenue management strategies.
- **Strong Tourism Market Fundamentals:** Palm Springs continues to experience strong tourism, event-driven demand, and limited new supply, supporting long-term hospitality investment fundamentals.
- **Repositioning & Branding Upside:** Opportunity for a new owner to implement branding, renovations, or concept upgrades to capture higher market share and increase overall asset value.
- **Long-Term Leased Land Structure:** Typical Palm Springs leased land structure with remaining term in place, providing a known and underwritten expense component.



PROPERTY/INVESTMENT OVERVIEW

PROPERTY

Property Address:	411 E. Palm Canyon Dr, Palm Springs , CA 92264
Number of Rooms:	92 Guest Rooms
Year Built:	1963
Year Renovated:	2024
Lot Size:	129,373 SF (2.97 AC)
Apn#:	513-060-006
Zoning:	R3 (Resort/Multi-Family)

Value-add boutique resort opportunity with ADR growth and repositioning upside in the heart of Palm Springs

OPERATING METRICS

Occupancy:	55%
ADR:	\$135
RevPAR:	\$74

PRICING

Price:	\$7,750,000
Price/Room:	\$84,239/Room

GROUND LEASE

Lessor:	Bureau of Indian Affairs
Lease Term:	27 Years Remaining
Annual Rent:	\$97,447.80 (\$8,120/month)

Long-term leased land structure typical for Palm Springs hospitality assets



CALIENTE TROPICS RESORT
STRATEGIC LOCATION & SITE CONTEXT

Surrounded by Established Hotels
Central Palm Springs Location
High-Visibility Frontage



Caliente Tropics Resort | Palm Springs, CA

RESORT AMENITIES & REVENUE DRIVERS



Caliente Tropics features a resort-style layout designed to enhance guest experience while supporting multiple revenue streams beyond traditional room income. The property is centered around one of the largest pool environments in Palm Springs, serving as a primary lifestyle and social anchor for both guests and visitors. This resort-style configuration differentiates the asset from traditional limited-service hotels within the market.

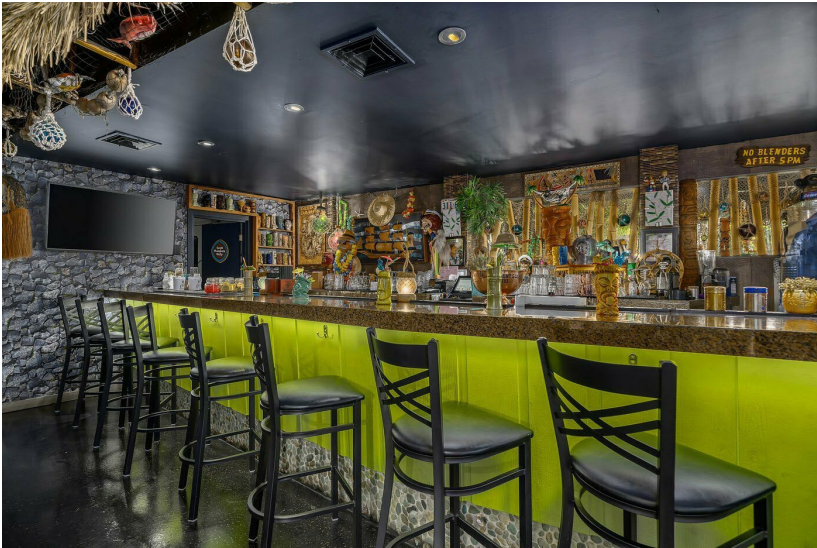
Key revenue-supporting amenities include:

- Expansive pool, spa, and cabana areas, supporting extended stays and higher ADR potential
- Indoor and outdoor event venues accommodating up to 250 guests, supporting weddings, group bookings, and private events
- On-site food and beverage operations, capturing both on-site guest spend and local demand
- Resort-style grounds and outdoor gathering areas, enhancing market positioning as a lifestyle hospitality asset

These features position the property as a full-service boutique resort capable of generating diversified income streams beyond traditional room revenue.



EXISTING TENANT & AMENITY OVERVIEW



THE REEF BAR & LOUNGE

Poolside bar and lounge integrated into the resort experience. Tiki-inspired concept aligns with the property's branding and serves as a central guest gathering space.

- Revenue participation structure
- Direct connection to pool and common areas
- Opportunity for repositioning or expanded programming



Sancho's Restaurant

Established on-site restaurant serving breakfast, lunch, and dinner. Popular with both hotel guests and local clientele, offering a full-service kitchen and bar program.

- Short-term, flexible lease structure
- Includes percentage rent component
- Strong local following and consistent traffic

Existing food & beverage operations provide immediate activation with significant repositioning potential.

PROPERTY OVERVIEW & HOTEL CHARACTER

Caliente Tropics: A Palm Springs Icon

Historic Boutique Resort with Enduring Identity.

Originally developed in 1963 and opened in 1964 by hotel developer Ken Kimes Sr., Caliente Tropics is one of the most recognizable remaining examples of Polynesian-themed hospitality design in Palm Springs. The property reflects an era of experiential travel, where architecture, design, and guest experience defined the resort identity.

The resort's signature Polynesian aesthetic is reinforced by authentic tiki artifacts and installations produced by Oceanic Arts, a globally recognized designer of Polynesian pop-culture elements and a current supplier to major entertainment brands, including Disney. These design features contribute to the property's uniqueness and long-standing cultural relevance.



Legacy Asset with Proven Cultural Significance

Throughout the 1960s and 1970s, Caliente Tropics served as a prominent social destination within Palm Springs, attracting notable public figures, entertainers, and professional athletes. The property historically featured multiple food and beverage venues, lounges, and entertainment spaces, reinforcing its position as a full-service hospitality destination.

While the asset experienced periods of operational decline in later decades, it has maintained strong brand recognition within the local market and remains a well-known property within the Palm Springs hospitality landscape.

Positioned for Continued Growth

Caliente Tropics benefits from its established brand identity, resort-style layout, and strong location along Palm Canyon Drive near Downtown Palm Springs. The property is well-positioned to capitalize on increasing demand for boutique and experiential hospitality assets.

With a large physical footprint and existing amenity base, the asset presents a clear opportunity for revenue growth through ADR optimization, operational efficiencies, and targeted capital improvements.

GUEST ROOM MIX & CONFIGURATION

Room Type	Count	Notes
Deluxe King	39	Standard layout
Deluxe Queen	26	Double occupancy
Tahitian Lanai King	6	Patio access
Tahitian Lanai Queen	4	Patio access
Parlor Suite King	8	(2 with patios)
Parlor Suite Queen	9	(1 with patio)
ADA Accessible	1	
Owner's Suite	1	With patio

TOTAL KEYS: 92

The property features a diverse mix of room types, including standard guestrooms, suites, and patio-oriented layouts. The existing unit mix provides flexibility to accommodate a range of guest profiles while offering a strong foundation for future interior upgrades and repositioning strategies.



CALIENTE TROPICS RESORT GUEST ROOMS & INTERIORS



Guest rooms offer a classic Palm Springs aesthetic with functional layouts and direct access to outdoor spaces. Existing interiors provide a strong foundation for continued enhancements and design-driven upgrades.

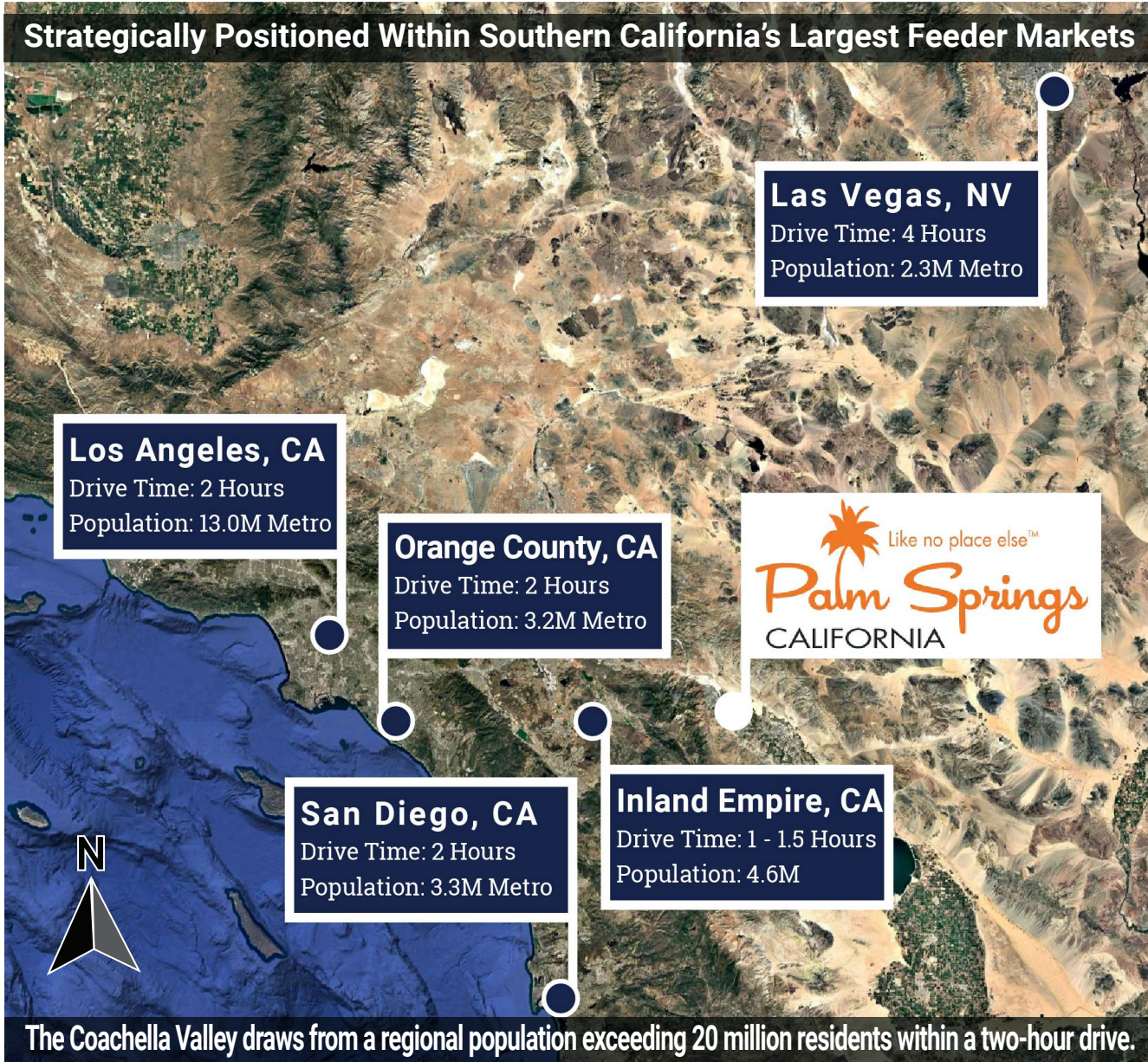
- Spacious layouts with efficient room configurations
- Direct access to pool, courtyard, and outdoor amenities
- Opportunity to elevate finishes and modernize interiors

CALIENTE TROPICS RESORT
RESORT EXPERIENCE



Cohesive architectural character, defined common areas, and a strong arrival experience position the property for enhanced branding and guest engagement.

CALIENTE TROPICS RESORT
COACHELLA VALLEY OVERVIEW



SAN DIEGO - Fly Time 45 Minutes

San Diego represents a major Southern California feeder market, providing a consistent base of leisure travelers seeking weekend and short-term resort stays. Its proximity to Palm Springs allows for convenient drive access, supporting frequent visitation patterns and strong seasonal demand, particularly during peak winter and spring tourism months. The region's affluent coastal demographics further reinforce its role as a reliable source of resort-oriented demand.

LOS ANGELES - Fly Time 1 Hour

Los Angeles represents one of the largest and most influential feeder markets to Palm Springs, providing a substantial base of both domestic and international travelers. Its close proximity supports strong weekend, seasonal, and event-driven visitation, with Palm Springs serving as a premier desert retreat from the urban core. The market benefits from high disposable income levels and a deep population base, reinforcing consistent demand for boutique and resort-style accommodations.

ORANGE COUNTY - Fly Time 45 Minutes

Orange County is a highly affluent coastal market that consistently generates leisure-driven demand for Palm Springs. The region's demographic profile—characterized by high household incomes and a preference for luxury and resort experiences—aligns well with the positioning of boutique hospitality assets. Its convenient drive access supports frequent weekend travel and extended stays, particularly during peak tourism seasons.

LAS VEGAS - Fly Time 1 Hour

Las Vegas represents a complementary regional tourism market with strong air connectivity to Palm Springs. While known as a global entertainment destination, Las Vegas contributes to cross-market leisure travel, particularly among visitors seeking alternative resort experiences within the Southwest. The short flight time and established tourism infrastructure support incremental visitation and broaden the property's reach beyond Southern California's drive-to markets.

DIVERSE DEMAND DRIVERS SUPPORTING YEAR-ROUND OCCUPANCY



- 1** **Empire Polo Club – Coachella & Stagecoach Music Festival** - *Approx. 24 Miles*
300K+ annual attendees driving full occupancy and major ADR spikes
- 2** **Palm Springs Convention Center** - *Approx. 2 Miles*
Major group and convention demand driving year-round occupancy
- 3** **Downtown Palm Springs** - *Approx. 1 Mile*
Primary retail, dining, and nightlife hub driving daily and weekend demand
- 4** **Palm Springs International Airport (PSP)**
Growing passenger volume supporting increased regional and national visitation
Approx. 2.5 Miles
- 5** **Indian Wells Tennis Garden (BNP Paribas Open)**
World-class annual event drawing global visitors and premium seasonal demand
Approx. 20 Miles
- 6** **Disney Cotino Development (Emerging)**
Major new master-planned community expected to drive long-term tourism and demand growth
Approx. 15 Miles

- 7** **Acrisure Arena**
Major live entertainment venue driving year-round event traffic, premium demand and ADR spikes
Approx. 20 Miles
- 8** **Agua Caliente Casino – Palm Springs**
24/7 gaming and entertainment driving consistent year-round visitation and hotel demand
Approx. 2 Miles

- 9** **Modernism Week (Annual Event)**
Major annual event drawing 100K+ visitors, driving peak occupancy and ADR spikes
Palm Springs
- 10** **Palm Springs International Film Festival & Gala**
Globally recognized event generating premium demand, media exposure, and ADR spikes
Palm Springs

COACHELLA VALLEY TOURISM & DEMAND DRIVERS



Palm Springs & Coachella Valley Overview

The Coachella Valley is a premier Southern California resort destination with consistent year-round tourism driven by leisure travel, events, and seasonal residents. The region benefits from proximity to major population centers including Los Angeles, Orange County, and San Diego, providing a deep and recurring demand base.

Tourism demand is supported by a diverse mix of drivers including major music festivals, conventions, golf and wellness tourism, and a growing boutique hospitality segment.

Relevance to Subject Property

Caliente Tropics Resort is well-positioned to benefit from this demand given its:

- Central Palm Springs location
- Resort-style layout with experiential amenities
- Ability to capture both leisure and event-driven guests



CALIENTE TROPICS RESORT
BOUTIQUE RESORT LIFESTYLE & DESTINATION APPEAL



Coachella Valley Music & Arts Festival
Iconic global festival experience defining the region's cultural energy



Palm Springs Arts & Culture Scene
Celebrated arts, events, and creative identity shaping the city



Championship Golf – Coachella Valley
World-class courses set against a dramatic desert backdrop



Palm Springs Aerial Tramway
Scenic alpine escape offering unmatched mountain views



Downtown Palm Springs
Walkable hub of dining, retail, and nightlife



Splash House – Palm Springs
Signature poolside music experience blending resort and lifestyle



Modernism Week
Celebration of mid-century design attracting global enthusiasts



Palm Springs Convention Center
Premier venue hosting conferences, events, and group gatherings



Indian Canyons & Desert Hiking
Iconic trails and natural landscapes surrounding Palm Springs

CALIENTE TROPICS RESORT

PROXIMITY TO KEY DESTINATIONS



CALIENTE TROPICS RESORT
PROPERTY GROUNDS & COMMON AREAS



Cohesive architectural character, defined common areas, and a strong arrival experience position the property for enhanced branding and guest engagement.



For More Information Contact:

Steve Lyle

t 760-578-9927

stevelyle@cbclyle.net

CA RE Lic. #00762911



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