



# *Carmel Fireplace Inn*

## CARMEL-BY-THE-SEA, CA

OFFERING MEMORANDUM







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*Carmel Fireplace Inn*

# Executive Summary

## THE OFFERING

The Carmel Fireplace Inn represents a rare investment opportunity in one of California's most exclusive lodging markets—offering a premier location, strong market fundamentals, and durable long-term demand drivers that will continue to deliver value for decades to come.

The Carmel Fireplace Inn is a newly refreshed boutique hotel in the heart of Carmel-by-the-Sea, one of California's most iconic coastal destinations. Set on a 12,000-square-foot parcel with seven charming buildings, the property features 16 unique guestrooms and a manager's apartment, each with its own fireplace and character.

Steps from Carmel's beaches, fine dining, galleries, and shopping—and just minutes from Pebble Beach and its world-class golf courses—the Inn enjoys an irreplaceable location within a market that consistently ranks among the strongest lodging markets in the nation.

With its prime walkable setting, and enduring demand drivers, the Carmel Fireplace Inn offers investors a rare chance to acquire a premier hospitality asset in an A+ coastal market with proven long-term growth.





# Property Description

## PROPERTY HIGHLIGHTS

<i>Property Type</i>	Independent Boutique Hotel (Upper Upscale)
<i>Historical Designation</i>	NON-HISTORICAL
<i>Lot Size</i>	12,197 SF
<i>GBA</i>	6,280 SF
<i>Guestrooms</i>	16
<i>Manager's Apartment</i>	Yes
<i>Number of Buildings</i>	7
<i>Stories</i>	2
<i>Year Built</i>	1959
<i>Year Refreshed</i>	2025
<i>Manager's Apartment</i>	Yes
<i>Hotel On-site Laundry</i>	Yes
<i>Parking</i>	11 on-site parking spaces
<i>Zoning</i>	RC
<i>Construction</i>	Wood Frame



## 2025 REFRESH

Guestrooms refreshed with new carpet, paint, and flat-screen TVs; lobby upgraded with new furniture, artwork, and finishes to enhance guest experience

## NON-HISTORIC DESIGNATION

Provides investors the autonomy to pursue renovation, repositioning, or redevelopment without historical restrictions. This flexibility includes the ability to reconfigure building layouts as well as explore new food and beverage opportunities.



## RARE CARMEL OPPORTUNITY

Hotels in Carmel-by-the-Sea have traditionally traded at low 4% to sub 4% cap rates, highlighting the premium investors place in this market.

## IRREPLACEABLE COASTAL ASSET

A boutique hotel in an A+ lodging market with high barriers to entry and durable long-term demand drivers.





## IRREPLACEABLE LOCATION

Walking distance to Carmel Beach, galleries, wine tasting, boutique shopping, and dining, with Pebble Beach golf just minutes away.

## BOUTIQUE SCALE & CHARACTER

16 unique guestrooms plus a manager's apartment across seven charming buildings, each with fireplaces that elevate guest appeal.

## LIMITED SUPPLY MARKET

With only a handful of Carmel-by-the-Sea hotels trading hands over the last decade, this offering underscores the extreme rarity of a hotel acquisition opportunity in this tightly held and coveted market.

## PROVEN MARKET STRENGTH

Located in an A+ lodging market with decades of revenue growth, high barriers to entry, and enduring global demand drivers.





# Guestroom Mix & Overview

The property offers a total of 16 uniquely designed guest rooms plus a manager's apartment, spread across seven charming buildings that embody the boutique character of Carmel-by-the-Sea. Each room showcases its own personality, highlighted by cozy in-room fireplaces that enhance the guest experience and differentiate the hotel within the market. The diverse room mix appeals to a broad range of travelers, from couples seeking a romantic retreat to families and extended-stay guests. This combination of variety, character, and recent capital investment positions the property as a premier boutique lodging option in the Carmel market with substantial upside.

Room #	Room Name	Room Type	Room Size (sf)
21	CARMELO	Queen/Shower/Fpl.	200
22	LINCOLN	Queen/Shower/Fpl.	200
23	SANTA FE	Queen/Shower/Fpl.	226
24	JUNIPERO	King/Shower/Fpl.	225
25	SAN ANTONIO	King/Queen/2 Bath/Fpl.	405
26	PESCADERO	King/Shower/Fpl.	320
27	TORRES	King-Single/Sofa Bed/Full Bath/Fpl.	320
28	SAN LUIS	Queen-Queen/Full Bath/Fpl.	400
29	WOODWORTH	King/Queen/2 Bath/Fpl.	455
30	SAN JUAN	Queen-Queen/Full Bath/Fpl.	320
31	SANTA RITA	King-Queen/1.5 Bath/Fpl.	300
32	MONTE VERDE	King/Shower/Fpl.	250
33	GUADALUPE	King/Shower/Fpl.	250
34	CAMINO REAL	King/Tub/Fpl.	250
35	CASANOVA	King/Tub/Fpl.	300
36	SAN CARLOS	Queen/Twin/Shower/Fpl.	320
16 Rooms			







# Financial Analysis

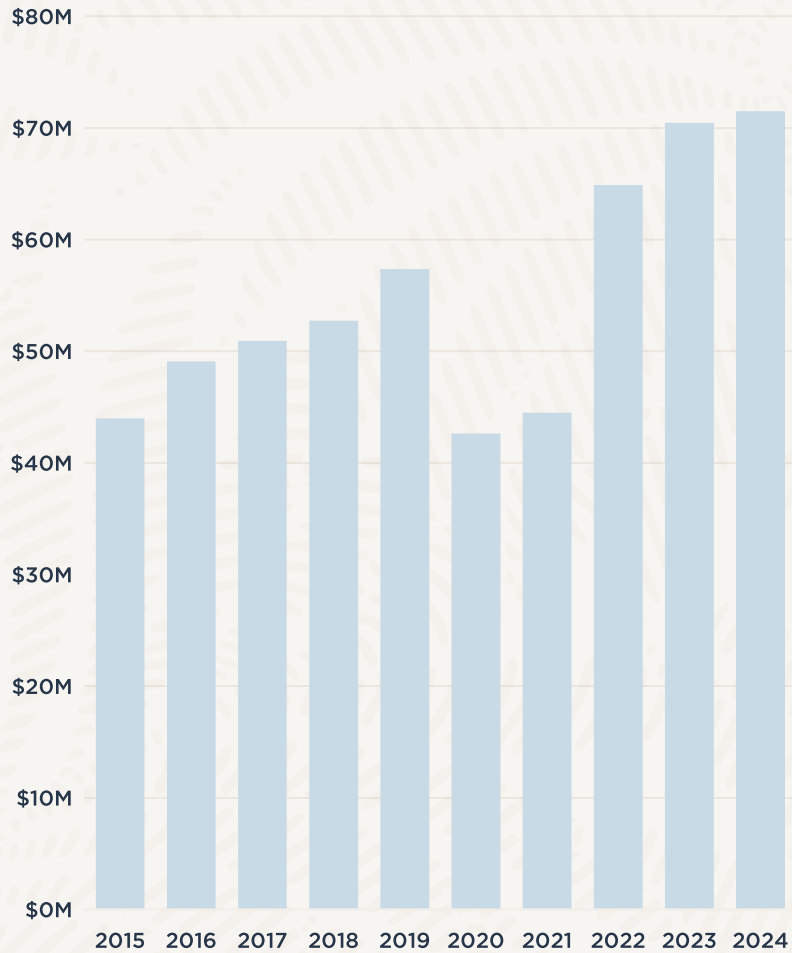
## DECADES OF COMPOUNDING GROWTH

Carmel has produced institutional-quality hotel performance for over 50 years, with revenues climbing from less than \$3 million annually in the 1960s to \$70+ million annually today. This growth has compounded through every economic cycle — with virtually no increase in supply. With its tremendous barriers to entry, high-spending visitor base, and enduring global appeal, Carmel represents a rare, defensive hospitality investment market uniquely positioned for continued long-term appreciation.

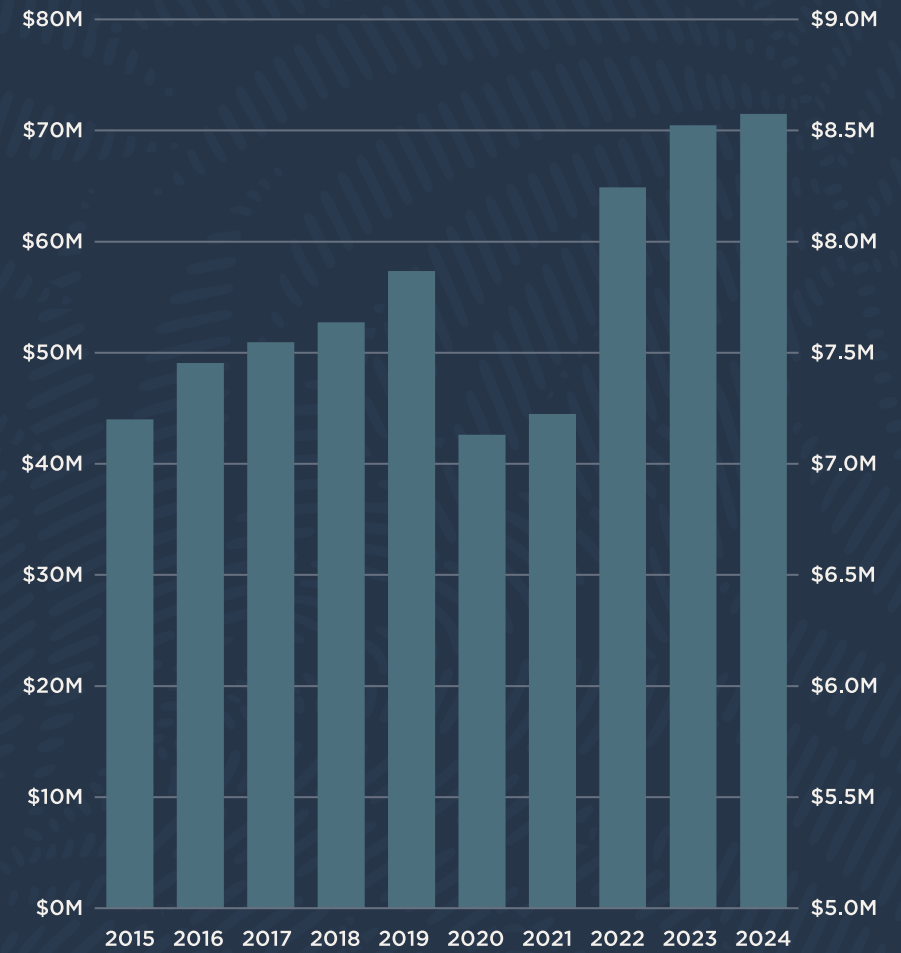
*Carmel Hotels:*  
**PROVEN  
PERFORMANCE,  
EXCEPTIONAL  
UPSIDE**



## ROOM REVENUE GROWTH








## CARMEL BY THE SEA TOT COLLECTED





# Sales Comparables

#	Property Name	Sale Price	Price per Key
 1	<b>Svendsgaard's Inn</b> May 2024	\$16,650,000 – 35 keys	\$476,000 per key
 2	<b>The Getaway Carmel</b> April 2022	\$21,000,000 – 34 keys	\$618,000 per key
 3	<b>The Hideaway Carmel</b> April 2022	\$17,000,000 – 24 keys	\$708,000 per key
 4	<b>Edgemere Cottages</b> July 2020	\$4,200,000 – 3 keys	\$1,400,000 per key
 5	<b>L'Auberge Carmel</b> January 2020	\$13,900,000 – 20 keys	\$695,000 per key <b>(sale-leaseback at a 4% cap)</b>
			\$779,400 <b>Average Price Per Key</b>

**SINCE 2020, CARMEL-BY-THE-SEA HAS RECORDED ONLY FOUR TRUE ARMS-LENGTH HOTEL TRANSACTIONS – REPRESENTED BY THE FIRST FOUR COMPARABLES ABOVE.**



CARMEL  
BEACH

PEBBLE BEACH  
GOLF COURSE

*Carmel Fireplace Inn*

*Carmel Fireplace Inn*

# Market Overview

## PREMIER LOCATION SURROUNDED BY TRANSFORMATIONAL HOTEL INVESTMENT

The subject property is ideally situated in the heart of Carmel, surrounded by a wave of significant hotel reinvestment and redevelopment projects. This clustering of capital investment highlights the strength of the local lodging market and reinforces the subject hotel's prime location within a thriving hospitality environment.

*Carmel:*  
**AN A+ LODGING  
MARKET WITH  
GLOBAL RECOGNITION**



BIG SUR



CARMEL BEACH



PEBBLE BEACH



*Carmel Fireplace Inn*

*Decades*  
OF UNINTERRUPTED  
GROWTH IN AN A+  
LODGING MARKET



*Carmel Fireplace Inn*



# Surrounded by Transformational Hotel Investments



## STILLWELL HOTEL

Recently completed an extensive, multi-year renovation transforming the property into a luxury boutique hotel.

## *Carmel Fireplace Inn*

## HOF SAS HOUSE

Currently on the market, with plans for demolition and ground-up development into Carmel's first full-service hotel.

## HOTEL CARMEL

Following a \$20M+ reinvestment into the iconic La Play Hotel in Carmel, ownership is now turning its focus to a major renovation of the Hotel Carmel.

## SVENDSGAARD'S INN

Acquired by PRG Hospitality Group, who are currently executing a major renovation and repositioning program.

*Carmel Fireplace Inn*



The subject hotel is uniquely positioned at the epicenter of Carmel's next wave of hospitality reinvestment. With multiple neighboring hotels undergoing major renovations, rebrandings, and even ground-up redevelopment, the area is being transformed into a luxury lodging corridor. This concentration of capital investment underscores both the enduring strength of the Carmel lodging market and the subject property's advantage as an already-renovated boutique hotel ready to benefit from the elevated market environment.

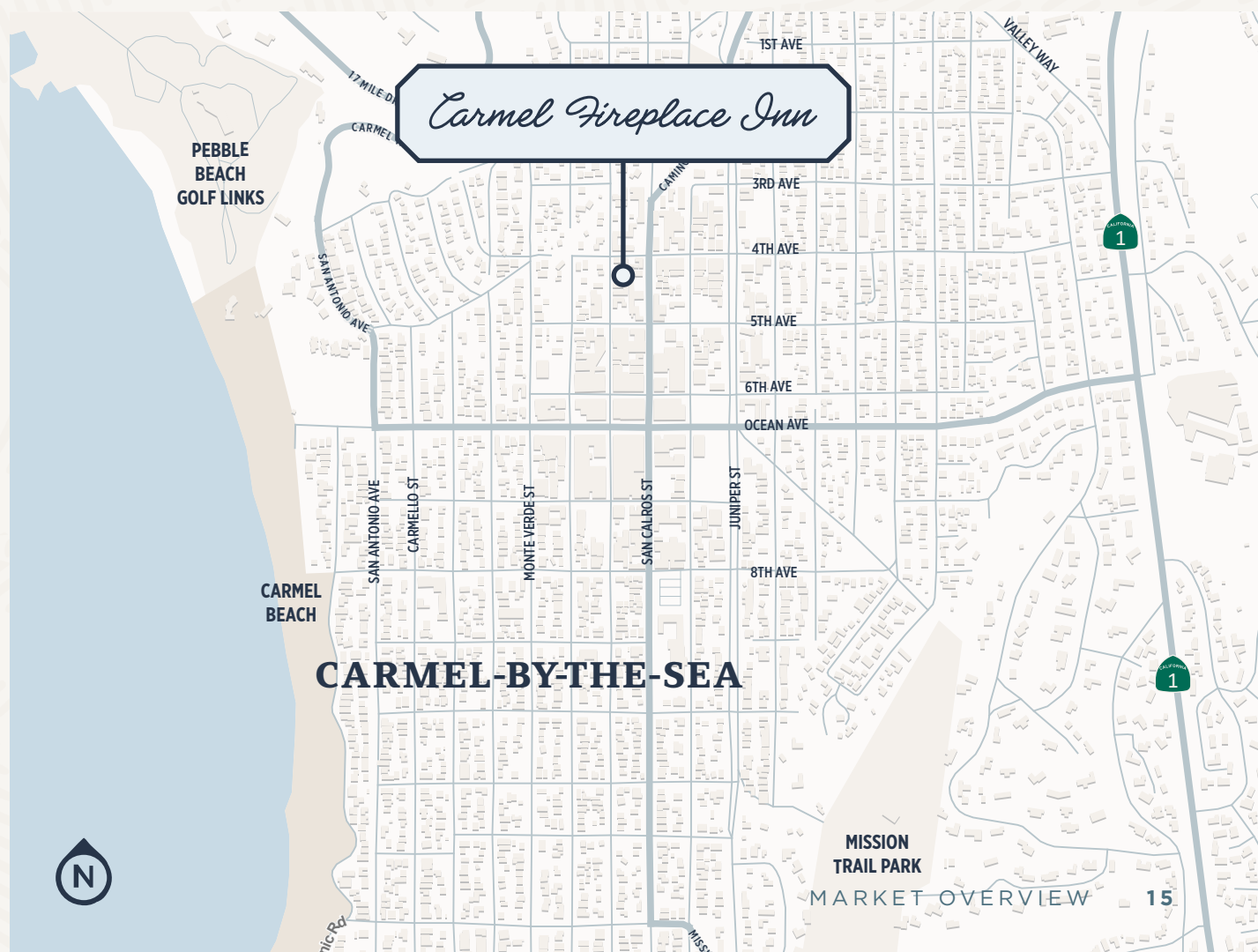




# Carmel Lodging Market Overview

Carmel-by-the-Sea is one of California's most sought-after coastal destinations, renowned for its European-style village charm, world-class dining, boutique retail, and proximity to iconic attractions including Pebble Beach, Big Sur, and the Monterey Peninsula. The lodging market in Carmel is characterized by consistently strong demand driven by affluent leisure travelers, international visitors, and year-round tourism supported by festivals, golf events, and the region's natural beauty.

With limited new hotel supply due to stringent zoning and development restrictions, Carmel's hospitality assets benefit from high barriers to entry, premium average daily rates, and resilient occupancy levels. This combination of scarcity, exclusivity, and enduring visitor appeal positions Carmel as one of the most stable and high-performing lodging markets on the West Coast.





# CARMEL-BY-THE-SEA

## *Demand Drivers*



### CHARMING VILLAGE ATMOSPHERE

European-style architecture, boutique shops, and art galleries create a highly walkable and unique visitor experience.



### YEAR-ROUND TOURISM

Consistent demand from leisure travelers, international visitors, and event-driven tourism throughout all seasons.

### COASTAL BEAUTY

Carmel Beach, Point Lobos, and the Big Sur coastline attract travelers seeking iconic California scenery.



### ARTS & CULTURE

Renowned for its art colony heritage, Carmel hosts numerous galleries, festivals, and cultural events.



### CULINARY & WINE

Home to Michelin-starred restaurants and proximity to Carmel Valley's acclaimed wineries.



### HIGH BARRIER TO ENTRY

Strict zoning and development restrictions limit new supply, preserving exclusivity and driving premium lodging performance.





# *Pebble Beach*

Just minutes from Carmel, Pebble Beach is an internationally recognized luxury destination and home to some of the world's most celebrated golf courses, including the legendary Pebble Beach Golf Links. Host to multiple U.S. Opens and the annual AT&T Pebble Beach Pro-Am, the area draws affluent domestic and international travelers year-round who seek its championship golf, dramatic coastal scenery, and exclusive resort amenities. Beyond golf, Pebble Beach offers fine dining, luxury accommodations, the renowned 17-Mile Drive, and a calendar of prestigious events such as the Pebble Beach Concours d'Elegance. This concentration of world-class experiences establishes Pebble Beach as a global icon, continually elevating demand for high-quality lodging throughout the Monterey Peninsula.



*Carmel Fireplace Inn*



# PEBBLE BEACH

## *Demand Drivers*



### WORLD-CLASS GOLF

Home to Pebble Beach Golf Links and several other championship courses, consistently ranked among the best in the world.



### PRESTIGIOUS EVENTS

Annual AT&T Pebble Beach Pro-Am, U.S. Open Championships, and the Pebble Beach Concours d'Elegance attract global attention and high-spending visitors.



### SCENIC ATTRACTIONS

The iconic 17-Mile Drive and breathtaking Pacific coastline provide year-round appeal.



### LUXURY TOURISM

Pebble Beach Resorts and surrounding amenities draw affluent travelers seeking exclusive coastal experiences.



### INTERNATIONAL RECOGNITION

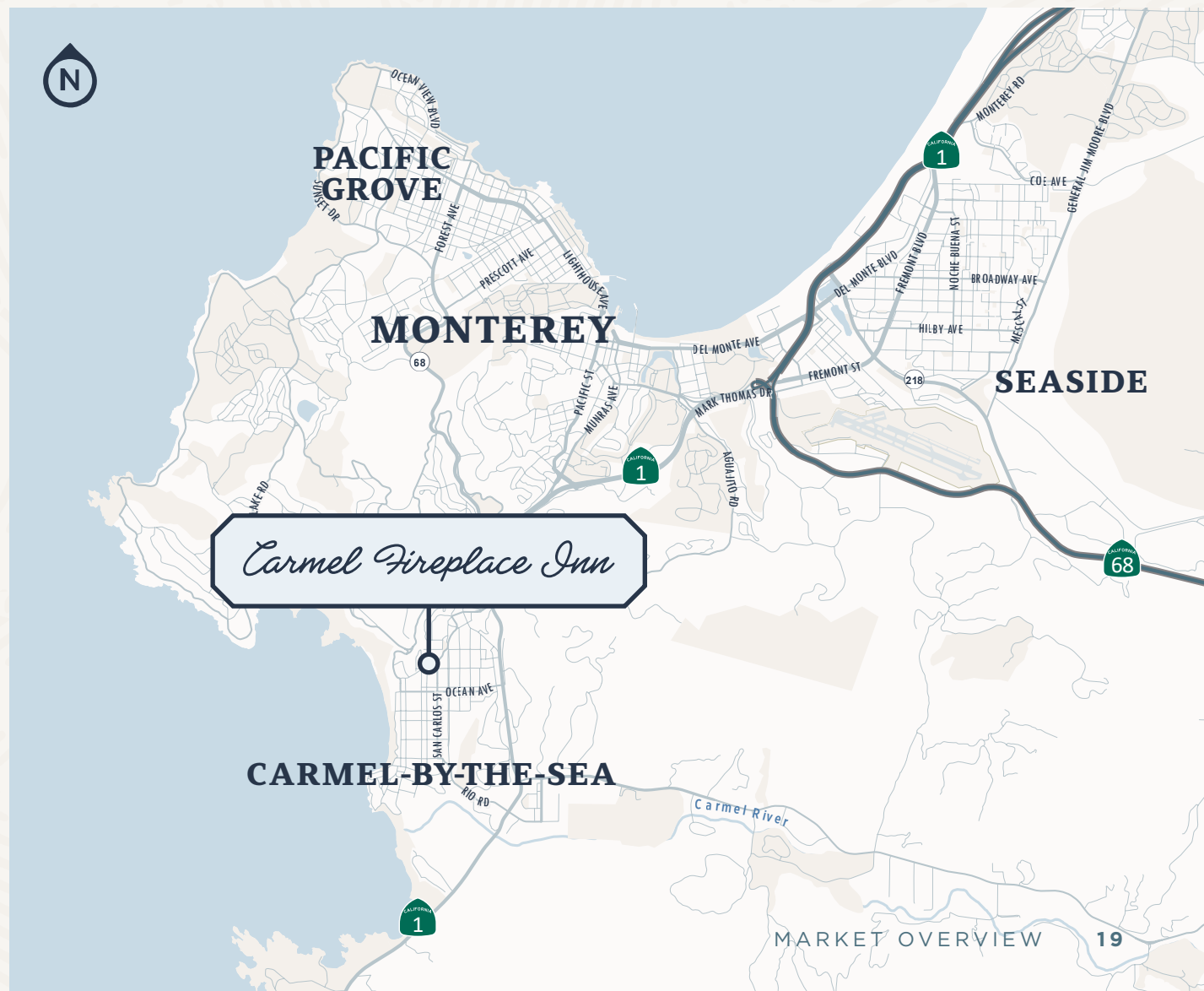
A globally recognized destination synonymous with luxury, recreation, and natural beauty.



# Regional Market Overview

The Monterey Peninsula—anchored by Carmel-by-the-Sea, Pebble Beach, and Monterey—is one of California's most iconic coastal destinations, attracting millions of visitors each year with its unmatched blend of natural beauty, world-class recreation, and cultural appeal. Carmel-by-the-Sea offers a European-style village atmosphere, boutique shopping, art galleries, and fine dining, while Pebble Beach is globally recognized for its championship golf courses, luxury resorts, and prestigious events such as the AT&T Pebble Beach Pro-Am and Concours d'Elegance.

The city of Monterey adds further demand with world-renowned attractions like the Monterey Bay Aquarium, Cannery Row, and the Monterey Jazz Festival. With year-round leisure and event-driven tourism, high barriers to new hotel development, and a consistently affluent visitor base, the region delivers some of the most stable and high-performing lodging fundamentals on the West Coast.





# MONTEREY PENINSULA

## *Demand Drivers*



### SCENIC NATURAL BEAUTY

Dramatic Pacific coastline, marine sanctuaries, and iconic drives such as Highway 1 and 17-Mile Drive.



### WORLD- RENOWNED ATTRACTIONS

The Monterey Bay Aquarium, Cannery Row, and Fisherman's Wharf draw millions of visitors annually.

### ACCESSIBILITY

Convenient access via Monterey Regional Airport and proximity to the San Francisco Bay Area drive both domestic and international tourism.



### WINE COUNTRY PROXIMITY

Carmel Valley and surrounding wine regions attract visitors seeking premium tasting experiences.

### EDUCATIONAL & RESEARCH INSTITUTIONS

The presence of the Monterey Bay Aquarium Research Institute, Naval Postgraduate School, and California State University Monterey Bay bring steady year-round visitation.



### EVENTS & CONFERENCES

Annual events like the Monterey Jazz Festival, Pebble Beach Concours d'Elegance, and numerous golf tournaments generate strong tourism demand.



# LIFESTYLE

## *Demand Drivers*

### PRISTINE BEACHES

Iconic Carmel Beach and the dramatic Big Sur coastline attract visitors seeking California's most picturesque shores.



### FINE DINING

Michelin-starred restaurants and a thriving culinary scene highlight fresh coastal cuisine and farm-to-table excellence.



### WORLD-CLASS GOLF

Pebble Beach Golf Links and neighboring championship courses deliver global recognition and bucket-list experiences.



### BOUTIQUE SHOPPING

Carmel-by-the-Sea's charming village offers unique retail, art galleries, and luxury boutiques.



### WINE COUNTRY EXPERIENCES

Nearby Carmel Valley and coastal vineyards provide premium wine tasting and touring opportunities.



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*High*  
**BARRIERS,**  
*High*  
**DEMAND,**  
*High*  
**RETURNS.**





# *Carmel Fireplace Inn* CARMEL-BY-THE-SEA, CA

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