

73730 EL PASEO

Palm Desert, California

Offering Memorandum

FOUR TENANT HIGH STREET OPPORTUNITY IN PRESTIGIOUS PALM DESERT, CA LOCATION



NEWMARK

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Palm Desert, California

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Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.



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01

Investment Summary

THE OFFER

The Newmark Capital Markets team and Steven Gordon are pleased to present a rare investment opportunity: the acquisition of a 100% leased multi-tenant retail building located at 73730 El Paseo, Palm Desert, California. This 5,425-square-foot building is situated on a 0.24-acre parcel in the most walkable and affluent shopping district in the Coachella Valley. Built in 2007 and offered fee simple, the property boasts four retail tenants with rents that are well below market rates, just above \$2.25 per square foot per month, offering significant upside potential. The building is located within a block of the Gardens Shopping Center and on the block are some of the top restaurants and jewelry stores in the area: Restaurants on the block include Thai Smile, Ristoranti Mamma Gina, Pizza Vino, Cafe Des Beaux-arts, Sweet Basil and jewelry stores include Leeds & Sons, Robann's Jewelers and Brandon Boswell Diamonds.

The seller in 2007 undertook a comprehensive renovation, taking the building down to the studs and ensuring it is in pristine condition. The building's façade features distinctive architectural elements that blend modern design with the classic charm of the El Paseo district, making it a standout property in the area. Additionally, the city, within the last two years, completely remodeled and maintains the rear parking lot directly behind the building providing ample parking for tenants and customers further enhancing the building's appeal. This is the busiest parking lot in the area with many of the businesses main customer entrances fronting on the parking lot. Some of those businesses include Pete Carlson's, Keedy's, Casuelas Cafe, and Koutouki Greek Estiatorio. There is as much business activity from the rear parking lot as there is on El Paseo.

Palm Desert is recognized as the cultural and retail hub of the desert communities, just 14 miles (22 minutes) from Palm Springs, a city that attracts approximately 1 million tourists annually. The region is also experiencing significant growth and development. To the west, the newly opened Acrisure Arena, a major entertainment venue, is expected to draw even more visitors to the area. Nearby Rancho Mirage is home to the Cotino, Storyliving by Disney project, a residential community that promises to enhance the region's allure and attract additional residents and tourists.

This affluent community boasts some of the highest income levels in Southern California, with a strong base of wealthy residents and visitors alike. The area is also known for its celebrity residents, with numerous high-profile individuals, including part-time residents such as actors, musicians, and athletes, who are drawn to the luxury lifestyle and privacy the desert offers. The combination of high-income levels, celebrity appeal, and ongoing development makes this property a prime investment in a highly desirable market.

INVESTMENT HIGHLIGHTS

- **Prime Location on El Paseo:** Located in the heart of Palm Desert's most walkable and affluent shopping district, often referred to as the "Rodeo Drive of the Desert," ensuring high foot traffic and visibility.
- **100% Leased with Below Market Rents:** The property is fully occupied by four retail tenants with average rents just above \$2.25 per square foot per month, significantly below market rates, offering substantial upside potential.
- **Recent Comprehensive Renovation:** The building was taken down to the studs during a full renovation, ensuring it is in pristine condition with modern updates, making it an attractive option for tenants and investors alike.
- **Architecturally Distinctive Façade:** The building features unique architectural elements that blend modern design with the classic charm of the El Paseo district, enhancing its curb appeal and making it a standout property in the area.
- **City-Owned and Maintained Parking:** The city owns and maintains the parking lot directly behind the property, providing ample parking for tenants and customers without additional maintenance costs for the owner.
- **Affluent Community with High Income Levels:** Palm Desert is part of one of Southern California's wealthiest communities, attracting both residents and visitors with substantial disposable income, which drives strong retail demand.
- **Celebrity Appeal:** The area is home to numerous high-profile celebrities and affluent individuals who choose Palm Desert for its luxury lifestyle and privacy, further enhancing the prestige and demand for properties in this market.
- **Proximity to Major Developments:** Close to the newly opened Acrisure Arena and the Cotino, Storyliving by Disney project in nearby Rancho Mirage, both of which are expected to drive additional traffic and economic growth in the region.

LISTING HIGHLIGHTS

\$2,925,000

Asking Price

\$146,791

NOI (Year 1)

5.02%

Cap Rate (Year 1)

5,425 SF

GLA

0.24 ACRES

Land Area

2007

Year Built

627-212-014

APN

FEE SIMPLE

Ownership



O2

Property Overview

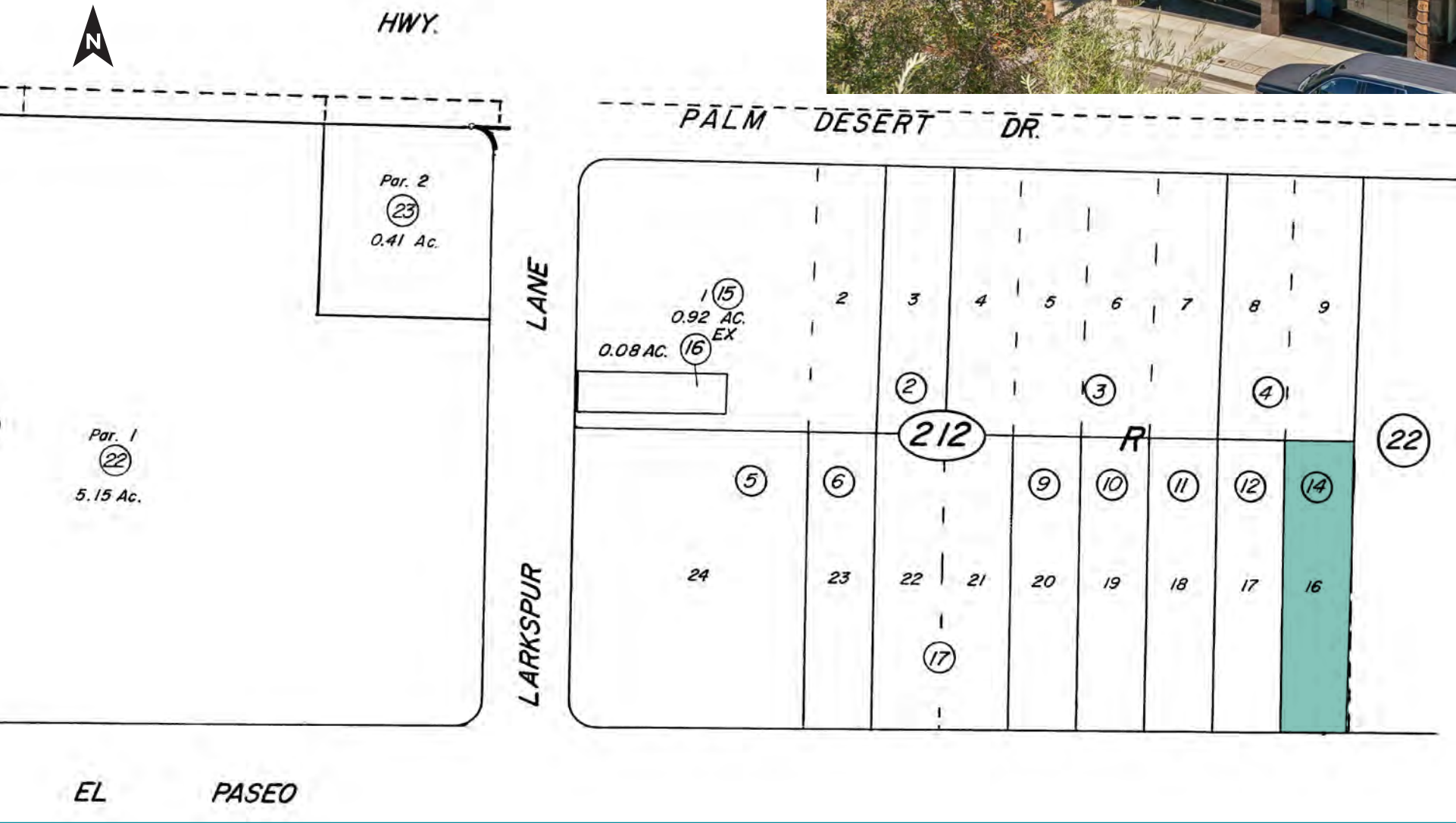


PROPERTY SUMMARY

Rentable Building Area	5,425 SF
Acreage	0.24 AC (10,454 SF)
Year Built	2007
Parcel	627-212-014
Parking Stalls	Parking is City Owned and Maintained



SITE PLAN





03

Area Overview

PALM DESERT

OVERVIEW

Palm Desert is the home of the Living Desert Zoo and Gardens, a combination zoo and botanical garden featuring over 500 animals from 150 species over 80 acres. Palm Desert has metamorphosed from a sandy cove at the foot of the Santa Rosas into a sprawling shopping, entertainment, and recreation mecca. Catch a show at the McCallum Theatre, a state-of-the-art performance venue that has hosted some of the world's top entertainers, as well as touring Broadway acts; feed a giraffe (#goals) at the wonderfully wild Living Desert Zoo & Gardens, ranked one of the top zoos in the country; let inspiration strike while exploring public art along the city's famed shopping district, El Paseo; kick it into high gear on the Bump and Grind Trail (the 1,000-foot elevation gain pays off in breathtaking panoramic views); or play a round on an award-winning golf course.

There are around thirty golf courses throughout the city which has a long history with the sport. Palm Desert is home to hundreds of tennis courts, both public and private. Pickleball has also gained popularity throughout the region in the 2010s and 2020s. The city's first golf course and tennis club was Shadow Mountain in 1952, followed by Marrakesh in 1954, the Palm Desert Greens mobile home park golf course in 1961, and the Palm Desert Country Club in 1962. The latter, located five miles east of the original city, was formally annexed in 1992. The total number of golf clubs have made Palm Desert known as the "World's Golf Capital."

Desert Willow Golf Resort is the City Of Palm Desert's municipal golf course, and has two championship courses: Mountain View and Firecliff. It is associated with the Westin Desert Willow Resort at the golf course location. The Firecliff course is listed at No. 13 in Golf Magazine's 'Best Courses you can Play' 2010 list for California. In the late-1970s and 1980s, a spate of private golf clubs, destination resorts and hotels appeared in the northern half of Palm Desert, such as the four-star JW Marriott Desert Springs Golf Resort and Spa[15] in 1987 and the four-star Desert Willow Golf Resort in 2002. The city has over 30 hotels and 5,000 rooms, and lodging and hospitality is a major portion of the local tourist-based economy.



DEMOGRAPHICS

WITHIN 5 MILES

73,771

Population

54,751

Employees

\$137,314

Average Household Income

24,544

Homeowners

19,556

Families

59.9

Median Age

TRAFFIC

COUNTS

41,299

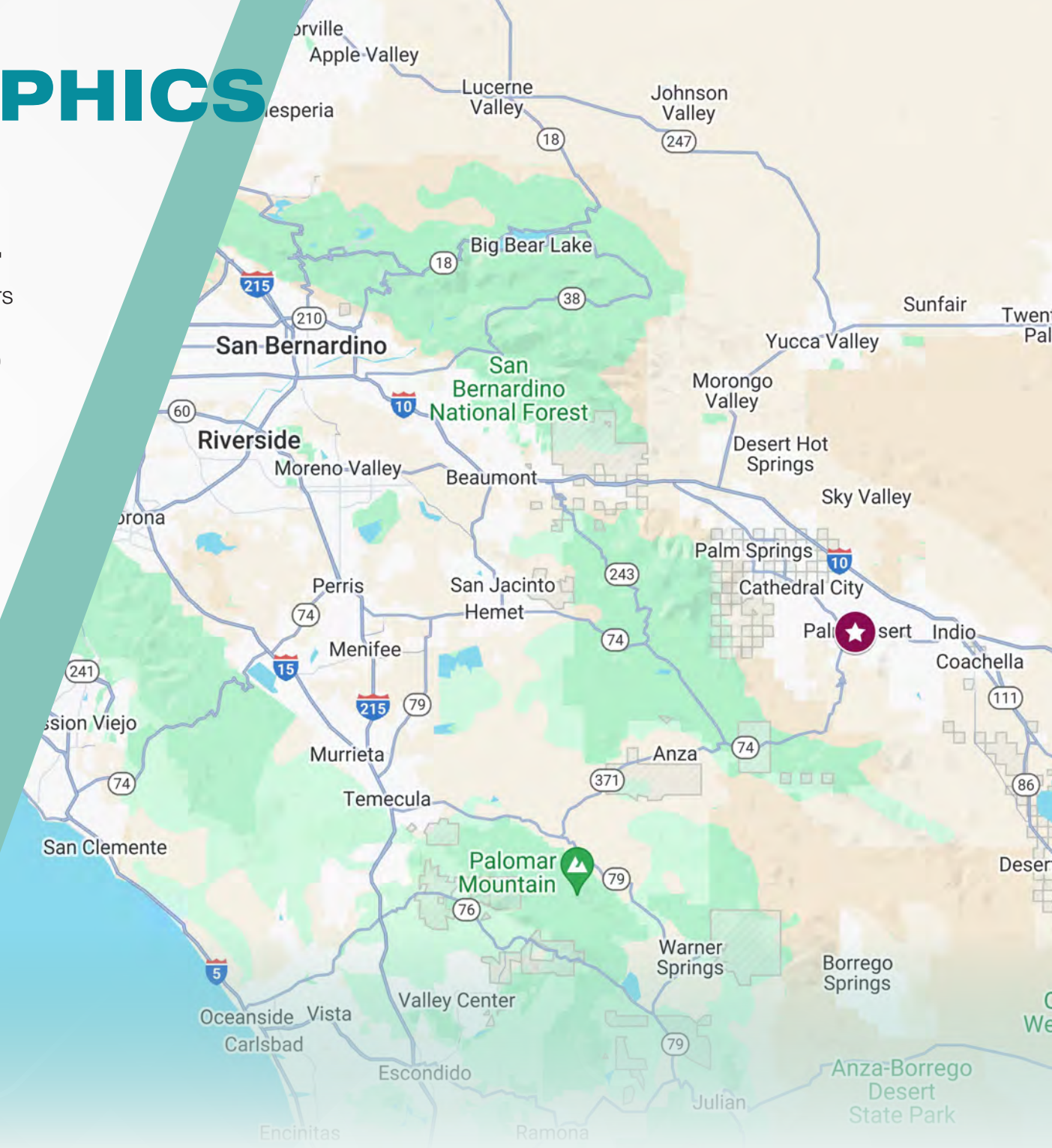
Highway 111

13,493

El Paseo

5,276

San Luis Ave.



EL PASEO

SHOPPING DISTRICT

The El Paseo Shopping District combines leisure, luxury, and extravagance to form the ultimate Greater Palm Springs shopping experience. Add in opportunities for delicious dining and elegant design, and it's easy to spend the day acquiring unique finds, eating delightful meals, and enjoying the upscale vibe one expects when shopping in Greater Palm Springs.

Set against a stunning mountain backdrop, the El Paseo Shopping and Dining District in Palm Desert features over 300 fabulous shops. Visitors will also find more than a dozen restaurants, from casual



cafes to the ultimate in fine dining, in a sophisticated, relaxed desert setting, and the new Hotel Paseo luxury boutique hotel, making El Paseo one of Greater Palm Springs' top shopping and entertainment destinations.

For the quintessential El Paseo shopping experience, gather with friends for a latte, lunch or glass of wine before or after exploring this scenic, sun-drenched boulevard. El Paseo offers an array of independent specialty boutiques and popular brand stores brimming with a wide variety of wardrobe and decorating essentials—from women's and men's apparel, shoes, accessories and fine jewelry to art, home décor and accents, gifts, and much more.

Discover the oasis-like setting of The Gardens on El Paseo, home to upscale retailer Saks Fifth Avenue, designer favorites like Louis Vuitton, Tiffany & Co, Eileen

Fisher, and Johnny Was, as well as iconic emporiums Anthropologie, Pottery Barn, and Sephora, plus al fresco dining hotspots day and night. Steps away, El Paseo Village features a distinctive mix of retailers including a sizeable Apple store, and vibrant resort wear from Trina Turk.

Take a stroll or catch a free ride on the shaded El Paseo Courtesy Cart to experience The Shops on El Paseo the west end of Palm Desert's famed shopping district where you'll find luxury retailers like Ralph Lauren, Summer Colony Living, Chico's and Grayse among others. Dining favorites include Kitchen 86 + Bar, Daily Grill, Porta Via, and Eddie V's Prime Seafood.

Art enthusiasts will find creative inspiration around every corner at several art galleries and rotating sculpture exhibitions that grace the median. And, El Paseo plays host to spectacular annual events throughout the year including Fashion Week El Paseo, Palm Desert Food & Wine Festival, and the Palm Desert Golf Cart Parade.





california
pizza kitchen
LAUREN
RALPH LAUREN
STUART
WEITZMAN

ESCADA
CHICO'S
Soma

THE COFFEE BEAN
& TEA LEAF
lululemon **athletica**

Starbucks
Diane's
BEACHWEAR

Leeds & Son
fine jewelers
Maison Felice

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ST. JOHN
GUCCI
DAILY
GRILL

Brighton
WHITE | BLACK
HOUSE MARKET

Savory **Spice**
J. McLaughlin
PANDORA new balance

LUCKY * BRAND
BANANA REPUBLIC
bebe kate spade

WILLIAMS-SONOMA
TIFFANY & CO.
ANN TAYLOR
ANTHROPOLOGIE
LOUIS VUITTON
SULLIVAN'S J. CREW
POTTERY BARN SEPHORA



04

Financial Analysis

RENT

ROLL

TENANT	SUITE	SF	LEASE START	LEASE END	DEC. 2024 RENT/SF	DEC. 2024 RENT/MO	RENTAL INCREASES	LEASE TYPE	RENEWAL OPTIONS
Decades	A1	975	9/1/2016	MTM	\$2.77	\$2,700	N/A	MG	None
Tiffany Tailor	A2	675	5/1/2007	MTM	\$2.22	\$1,500	-	MG	None
Pro Travel Int'l, LLC	B	1,650	8/1/2007	7/31/2026	\$3.45	\$5,700	8/1/2025 - \$5,800.00/mo	MG	None
Democracy	C	2,125	9/1/2014	8/31/2025	\$2.82	\$6,000	-	MG	None
TOTAL SQUARE FOOTAGE:		5,425				\$15,900		TOTAL MONTHLY RENT	
TOTAL AVAILABLE:		0	0%	Vacancy		\$190,800		TOTAL ANNUAL RENT	
TOTAL OCCUPIED:		5,425	100%	Occupancy					

OPERATING

EXPENSES

ANNUALIZED OPERATING DATA	DEC. 2024
Scheduled Gross Income (SGI)	\$190,800
Total Operating Income	\$190,800
Total Operating Expenses	(\$44,009)
Net Operating Income	\$146,791
PURCHASE PRICE	\$2,925,000
CURRENT	5.02%

OPERATING EXPENSES	AMOUNT
Real Estate Taxes	(\$34,908)
Insurance	(\$2,568)
Cleaning/Maintenance	(\$2,870)
Business License	(\$368)
Repairs	(\$1,515)
Utilities - Electric & Water	(\$1,780)
TOTAL EXPENSES	(\$44,009)



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