

OFFERING MEMORANDUM

Joshua Tree Ranch House Motel

\$1,200,000

**61589 Division Street
Joshua Tree, California**

**Established Eight (8) Room
Motel with Historical Charm**

*Legal Non-Conforming Use
Permit In Place*

*Owner Operator CAP Rate: 9.15%
(Projected 2025)*



Exclusively Offered By:

Encon Commercial, Inc.
CA DRE: 01780335

&

Robert L. Zweig, MBA
CA DRE: 00480752

encon commercial
Real Estate Services

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Introduction & Property Details:

Boutique Lodging Destination in the California Desert

Our team is proud to present the **Joshua Tree Ranch House Motel** for sale at an exceptionally low price for a unique owner with vision and dedication that embodies exceptional service to guests. **The Ranch House Motel** is back in business after extensive work to improve the property, and is under new management, including new marketing with future bookings in place. We are now operating in full force and attracting guests from across Southern and Northern California, as well as nationally and internationally. The last time the property had a license for a motel was over 20 years ago and now you can obtain this license to continue the tradition once more. This new management operation has created thousands of dollars of gross rental income per month, and we are now realizing exceptional growth in reservations throughout the coming high season for 2024 and 2025.

If this sounds like you, then **skip the start-up process and go right to profit!** You've got this. The motel is a business and an investment in one and offers you immediate income at part-time hours! **Are you ready to take this motel to the next level?**



If this property is calling you, then call us now to put your dreams into action, all while owning a fantastic piece of history and the business to go with it. This one-time opportunity won't last for long. The high desert and Joshua Tree National Park brings in over 3.0 million visitors a year with very few choices in accommodations, and downtown motels are few and far between.

Call us to acquire this outstanding downtown location that offers pioneer style studio suites, a vintage vibe that blends local traditions with mid-century amenities.

Joshua Tree Ranch House Motel



Welcome to Joshua Tree Park and Downtown Desert Vibes!

Joshua Tree, California is a quirky desert community in Southern California that has garnered attention as a relaxing travel destination because of its beautiful desert landscape and quirky, off-grid bohemian vibes. As a result, you could easily spend a weekend communing with nature in various corners of the park, which is fun to drive around and explore throughout the day. Most visitors to Joshua Tree are there to visit Joshua Tree National Park. Joshua Tree National Park is open year-round and is a true desert wilderness just a few hours outside Los Angeles, San Diego, Las Vegas, and Phoenix. About 3 million visitors come to the park each year to enjoy activities such as hiking, camping, photography, rock climbing, and simply enjoying the desert scenery and may stay multiple nights and need accommodations. As reported by the National Park Service, the busy season in Joshua Tree runs from October through May. The stark and sometimes surreal landscape, shaped by fierce winds and rains, is famous for its Joshua Trees. In addition, a wide variety of other plants and animals call the park home, including bighorn sheep, coyotes and jack rabbits. Joshua Tree is also a magnet for rock climbers, as there are more than 8,000 established climbing routes scattered throughout the park. In the springtime, large swaths of wildflowers become a big draw for many visitors. Plus, the incredibly clear night sky, unpolluted by artificial lights, make the park a great place to stargaze.

North of the park, the small but colorful communities of Twentynine Palms and Joshua Tree offer lodging, dining, and shopping and are close enough to pop in to see a desert sunrise, do an early morning hike, or visit after dark to stargaze. Staying in or around the smaller communities near the Park such as the Joshua Tree Ranch House Motel, makes you feel like you are in the desert, without the need to camp or brave the near freezing temperatures during the night, and eliminates the long commute after a day at the Park.

The city of Joshua Tree is a funky town worth a visit. While here, we recommend making time to browse through the unique local shops including the Coyote Corner gift shop, Grateful Desert Apothecary, and the Joshua Tree Rock Shop. In addition, just minutes from the Park's West Entrance, downtown boasts the Park's busiest visitor center and surrounding vintage stores, organic cafes, the artist showrooms and the farmer's market with live music every Saturday. There are tons of other great things to do near Joshua Tree besides communing with the Mojave Desert. After exploring the quirky rock formations and stunning trails in Joshua Tree National Park make sure to allow some time in the towns surrounding the park. Joshua Tree, Twentynine Palms, Pioneertown and Palm Springs all have unique and fun things to do in the Joshua Tree area.



Image provided by The New York Times



Image provided by VisitCalifornia.org



Image provided by Victorville Daily Press

Property Overview & Highlights:

61589 Division Street
Joshua Tree, California

Overview

In a 1950s Ranch abode, this relaxed, western-inspired motel off State Route 62 in the center of Joshua Tree is a 6-minute walk from Joshua Tree Visitor Center, just behind the Farmer's Market and 5 miles from the entrance to Joshua Tree National Park.

Design features pine-paneled walls, retro furnishings in 8 informal studios with kitchenettes and Wi-Fi. Suite 1 adds a separate living room and full kitchen for a family.

There is also a private, fenced patio area with a fire pit location & open space for entertaining and events.



Highlights

- An eight (8) room retro motel located in the center of Joshua Tree, CA
- Western inspired finishings in pioneer setting
- Property includes seven (7) standard rooms with kitchenettes (no stove / oven cooking area) and one (1) suite with separate living area and full kitchen
- Located in Downtown Joshua Tree, adjacent to Farmer's Market
- Outdoor patio, fire pit location and open area, perfect for events
- Constructed in 1953 and remodeled in 2019 (\$175,000 in new improvements)
- Motel is part of local history with boutique ambiance
- Established guest ratings with return guests year on year
- Legal non-conforming use designated by San Bernardino County

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Profit & Loss (Projected for 2025):

61589 Division Street
Joshua Tree, California

Owner Operator (Projected)

Income:

Lodging

Room Revenue (100% Occupancy)	\$	423,400.00
Vacancy Allowance: Weekdays	\$	(180,960.00)
Vacancy Allowance: Weekends	\$	(36,192.00)
Lodging Income	\$	206,248.00

Additional Income

Special Events:	\$	12,000.00
Additional Income	\$	12,000.00
Gross Scheduled Income:	\$	218,248.00

Expenses:

Property Taxes	\$	12,500.00
Hazard Insurance	\$	17,400.00
Utilities	\$	15,000.00
Supplies	\$	3,000.00
Replacements	\$	1,800.00
Repairs & Maintenance	\$	7,500.00
TOT & Marketing Fees	\$	41,249.60
Misc / Contingency	\$	10,000.00
Total Expenses (Estimate)	\$	108,449.60

Net Operating Income (Owner Operator)	\$	109,798.40
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Addt. Expenses for Absentee Owner

Absentee Owner Expenses:

Marketing Consultant	\$	12,000.00
Off-Site Manager	\$	18,000.00
Cleaning / Laundry	\$	25,000.00

Additional Expenses / Absentee Owner	\$	55,000.00
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Net Operating Income (Absentee Owner)	\$	54,798.40
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Assumptions:

Gross Scheduled Income is based on 100% occupancy at \$145 per night
 Vacancy Allowance is calculated as 30% on weekends and 60% for week days
 Event Income is based on 1 event per quarter at \$3,000 per event
 Property Taxes are based on 1.25% of the Selling Price
 Insurance cost is based on actual current premium
 Utilities includes: SCE, SoCal Gas, JT Water and Burrtec waste disposal (on projected occupancy)
 Supplies includes: coffee, soap, toiletries, ect.
 Replacements includes: linens, ect.
 Repairs and Maintenance includes: minor plumbing repairs, HVAC maintenance, electrical repairs, ect.
 TOT and Marketing Fees include: County of San Bernardino and various websites (AirBDB, ect)
Approximately 20% of rental income collected.

Assumable Loan with Owner Carryback Option

\$648,250 first trust deed payable at \$4,505 per month including principal and interest 7.5% (fixed), all due 7/30/2029. Private party financing (lives in TX) with no due on sale clause. 10% late charge after ten days.

Note: Interest is prepaid through 1/20/2025 and first interest payment is due 2/20/2025.

PROPOSED FINANCING ⁽¹⁾

Purchase Price:	\$1,199,000
Cash Down Payment:	\$119,900
Assume existing first TD ⁽¹⁾:	\$648,250
Owner will carry (OWC) 2nd on Motel ⁽²⁾:	\$250,000
OWC TD on other RE ⁽³⁾:	\$300,750

- (1) Assumable loan terms are subject Seller's review of Buyer's financials.
- (2) Terms negotiable.
- (3) Terms negotiable and subject to verification of value and existing encumbrance if any. Sellers MAY consider an exchange of other improved RE with no, or low, loan to value (LTV)

Property Layout:

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Joshua Tree, California



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Possible Expansion Area:

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Joshua Tree, California



Expansion Property Highlights

Two (2) additional contiguous parcels located to the east of the JTRH motel (APNs 0602-262-04-0000 and 0602-262-05-0000) are also available for purchase.

- Asking Price: \$168,000 (total price for both parcels)
- Downtown Joshua Tree location
- Near Highway 62
- 28,000 square feet of land (each parcel is 14,000 square feet)
- Seller financing terms available
- May be developed with up to 6 residential units per lot (total of 12 units)

**Rare Opportunity to
Purchase Additional Land**

Property Photographs:

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Joshua Tree Ranch House Motel



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Contact Information:

61589 Division Street
Joshua Tree, California

Exclusively Offered By:

Encon Commercial, Inc.
Commercial Real Estate Services

Los Angeles Office:
12145 Mora Drive, Suite 7
Santa Fe Springs, California 90670
Tel: (562) 777-2200

Marketing Team

John Scatoloni
Managing Director
DRE: 01780335
Tel: (310) 663-6688
Email: jscatoloni@enconcommercial.com

Robert L. Zweig
Broker & MBA
DRE: 00480752
Tel: (714) 381-1031
Email: peartrei@aol.com

Mr. Zweig is a principal owner in JTRH LLC



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