



OFFERING MEMORANDUM

THE BANK

296 S. PALM CANYON DR. PALM SPRINGS, CA 92262

Single-Tenant Retail

FOR SALE

PROPERTY WEBSITE

—lucrumre.com



EQUITY
UNION
COMMERCIAL



INVESTMENTS CONTACTS

THE BANK

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01. PROPERTY OVERVIEW



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PROPERTY OVERVIEW

Street Address:	296 S. Palm Canyon Dr.
City:	Palm Springs
State:	California
Zip Code:	92262
APN:	513-154-040
Rentable Square Feet:	± 16,200 SF
Lot Size:	± 20,038 SF
Year Built:	1973
Year Renovated:	2020
Number of Buildings:	1
Number of Stories:	2
Water:	Individually-Metered
Electric:	Individually-Metered
Gas:	Individually-Metered
Construction:	Reinforced Concrete
Roof:	Pitched
Parking:	44 Off-Site Structure Parking
Zoning:	C1





THE BANK



PROPERTY DESCRIPTION

Lucrum Real Estate Group is proud to present The Bank, located at 296 S. Palm Canyon Drive and encompassing 16,200± square feet of beautifully appointed single-tenant retail in a 2-story building and currently 100% occupied by Four Twenty The Bank. Attractive Seller financing offered of 75% LTV & 5.0% interest only!

The property is situated on 20,038± square feet of land in the city of Palm Springs, California, and was originally constructed in 1973 and recently extensively rehabbed with over \$2 Million in capital improvements invested in property upgrades. These updates include replacement of all major systems, installation of fire protection system and both interior and exterior sprinklers, and 100% interior remodel just to name a few.

296 Palm Canyon Drive is currently leased to Four Twenty The Bank one of the largest cannabis dispensaries in all of California. When entering the space, you first are greeted by an informal lobby that welcomes you into the impressive open floor plan.

Immediately upon entering the space, you can't help but notice the cathedral ceilings, exposing the architecturally designed rafters which are highlighted by the natural light of the skylights above, truly a site to see.



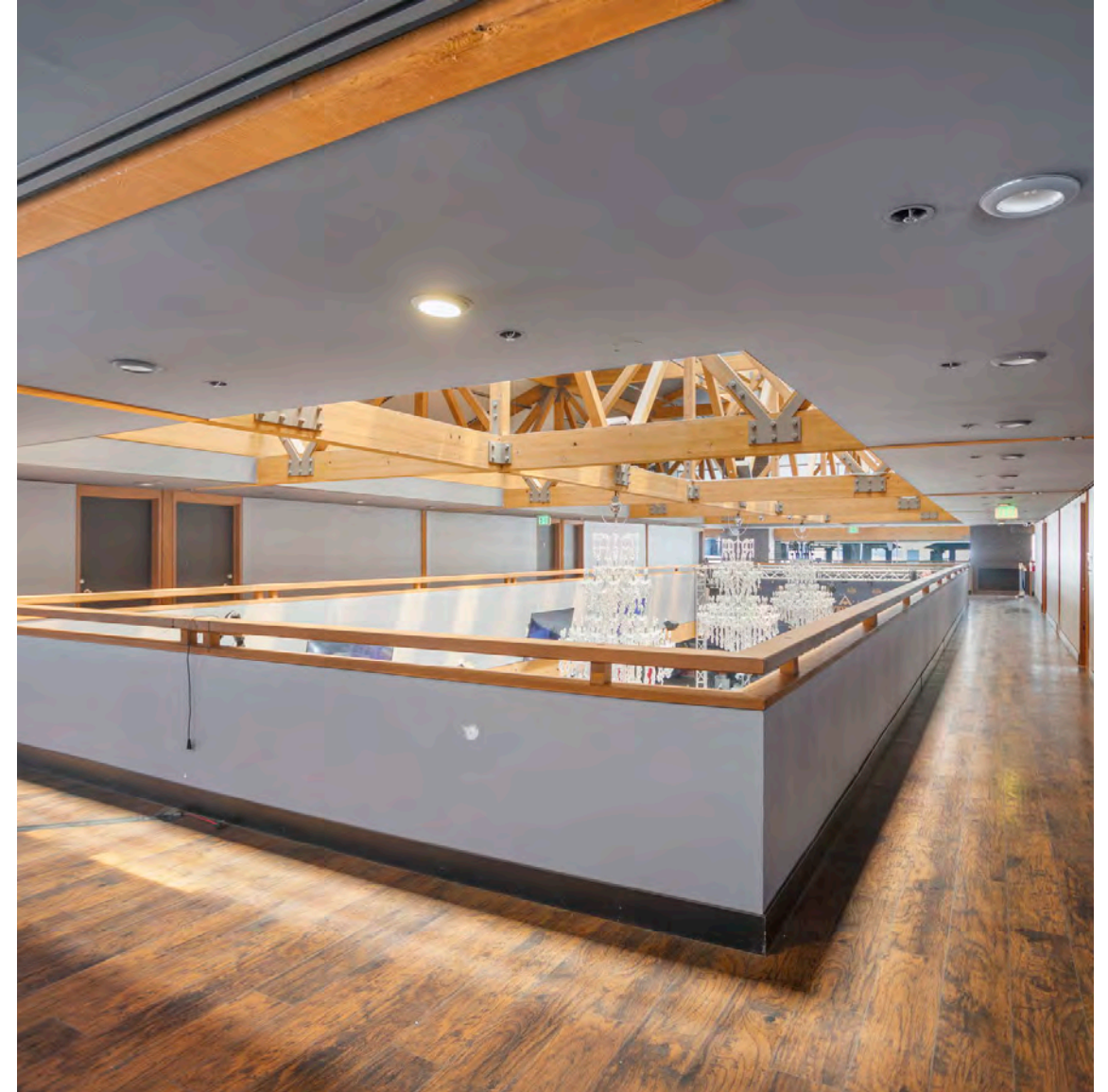
In addition to the common area, the space offers 2 executive offices, and restrooms at either end, including an additional storage room, as well as the original bank vault, which the tenant elected to keep and repurpose as a gaming room for customers.

The upstairs, which can be accessed by either the stairs or elevator, has been completely reimaged and operates as create space for the tenant and their employees, which includes a large breakroom with a full kitchen, dedicated space for their operator's podcasting, several large lounges and gaming rooms as well as additional executive offices with access to the outdoor patios.

This property is truly a site to see and is considered by both residents and visitors as one of the premier destinations on all of Palm Canyon Dr.

The property can be delivered vacant, and the tenant is on a NNN lease with a monthly contract rent of \$25,000 per month (\$1.54/SF) which is substantially below the current market rate for the area. The lease calls for annual rent increases and provides (3) 3-year options to extend, with built-in escalations in rent. There is currently a temporary arrangement in place for a lesser rent to be paid.

In addition, the property offers 44 reserved parking spaces in the adjoining city parking structure and per an agreement with the city and owner, there is the ability to acquire additional parking spaces as a nominal one-time cost.





296 S. Palm Canyon Dr is truly a spectacular opportunity located on the most prominent street in all of Coachella Valley benefiting from both tourist traffic and local patronage in Palms Springs's most dynamic retail corridor.

LOCATION DESCRIPTION

Palm Springs, California, is a renowned desert city located in the Coachella Valley, approximately 100 miles east of Los Angeles. Known for its stunning natural landscapes, mid-century modern architecture, vibrant arts scene, and year-round sunny weather, Palm Springs has long been a favored destination for tourists, retirees, and increasingly, young professionals.

The Bank which is located on Palm Canyon Dr. is considered the heart and soul of Palm Springs, California. This bustling retail corridor stretches through the downtown area, offering a unique blend of shopping, dining, entertainment, and cultural experiences. Known for its vibrant atmosphere, iconic mid-century modern architecture, and stunning desert backdrop, Palm Canyon Drive is a must-visit destination for both locals and tourists.

Palm Canyon Drive is home to an eclectic mix of shops and boutiques that cater to a diverse array of tastes and preferences. Visitors can explore a variety of retail options, including high-end fashion stores offering the latest trends and luxury brands, art galleries showcasing contemporary art, sculpture, photography, and works by local artists, as well as a treasure trove of vintage furniture, decor, and collectibles, reflecting the mid-century modern aesthetic for which Palm Springs is famous.





In addition, Palm Canyon Drive is considered the epicenter for Palm Springs's dynamic culinary scene, entertainment, and nightlife with a wide range of dining options. Whether you're in the mood for fine dining, casual eateries, or trendy cafes, you'll find something to satisfy your palate. Some highlights include and as the sun sets, Palm Canyon Drive transforms into a lively nightlife hub. The area offers an array of entertainment options, including live music venues that host local and touring bands. In bars and nightclubs, from upscale cocktail bars to laid-back lounges, there's a spot for every mood.

Palm Canyon Drive is not just about shopping and dining; it also offers a rich cultural experience. Key attractions include The Palm Springs Art Museum, Historic Landmarks as well as the annual Palm Springs International Film Festival.

The retail corridor of Palm Canyon Drive plays a significant role in Palm Springs' economy. The area attracts thousands of visitors each year, contributing to the city's tourism revenue. The success of businesses along the drive also supports local employment and fosters a thriving small business community.

Palm Canyon Drive continues to evolve, with ongoing development and revitalization projects aimed at enhancing the area's appeal. New businesses, renovations, and public improvements ensure that the corridor remains a vibrant and dynamic destination.

Palm Canyon Drive is a cornerstone of Palm Springs's identity, offering a rich tapestry of retail, dining, entertainment, and cultural experiences. Its unique blend of historic charm and modern amenities makes it a beloved destination for residents and visitors alike. Whether you're exploring its shops, savoring a meal, or simply enjoying the vibrant street life, Palm Canyon Drive captures the essence of Palm Springs' allure.





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PROPERTY HIGHLIGHTS

- + Property can be delivered vacant
- + 9.72% pro-forma cap rate
- + Tenancy is currently month-to-month
- + Attractive Seller financing option of 75% LTV at 5% interest only
- + Attractive cost per square foot
- + \$2M + in capital improvements & tasteful renovations
- + Trophy property consisting of 16,200± SF of stunning class A retail space
- + 44 dedicated parking spaces & potential to acquire additional parking





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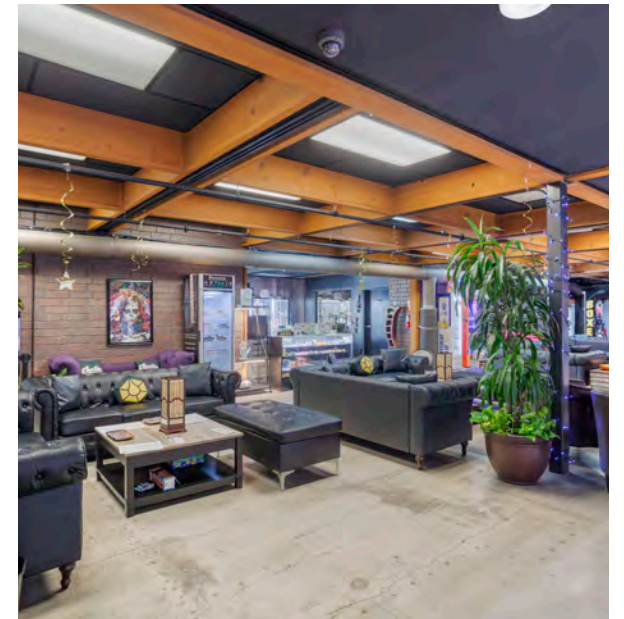
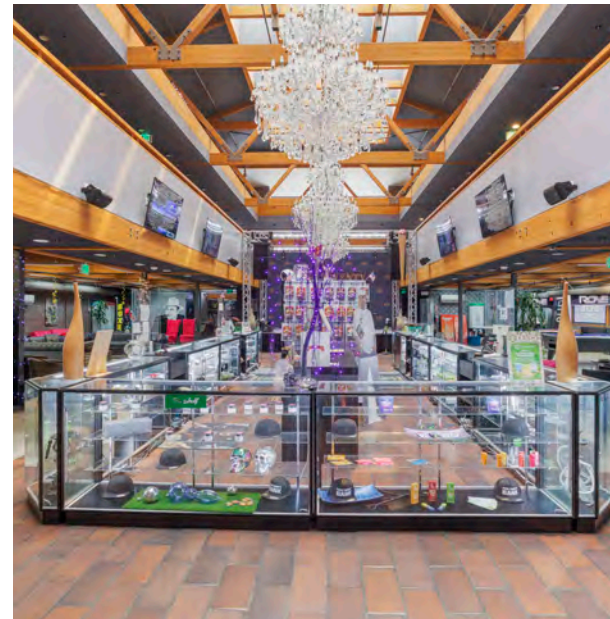
LOCATION HIGHLIGHTS

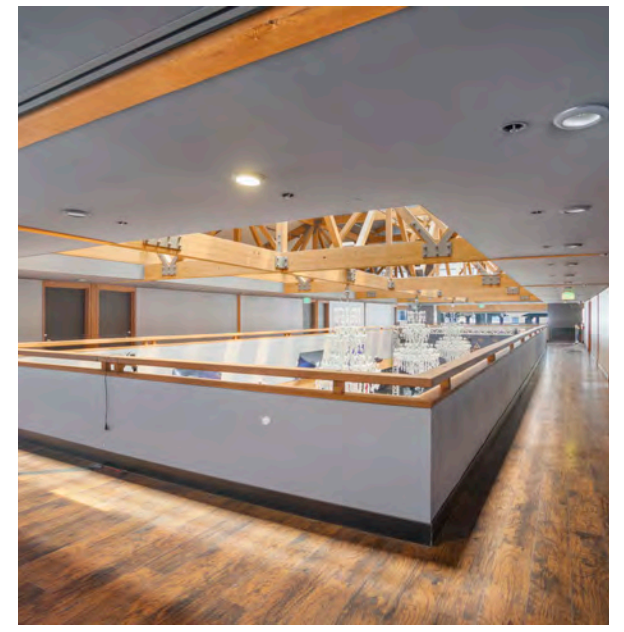
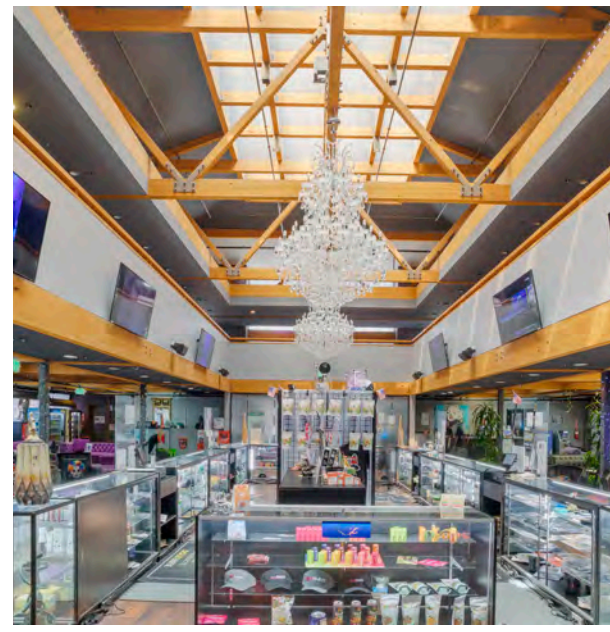
- + Located on the most desirable retail corridor in all of Palms Springs
- + Situated on the hard corner of Palm Canyon Dr & W. Baristo Road
- + Daily traffic volume of over 15,000 vehicles per day
- + Steps from shopping, dining, entertainment
- + Only minutes from Palm Springs International Airport
- + Centrally located near the 10 Freeway

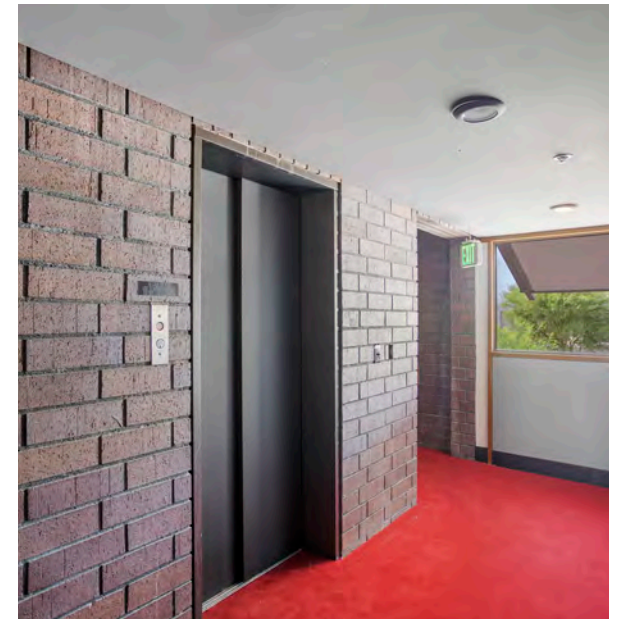


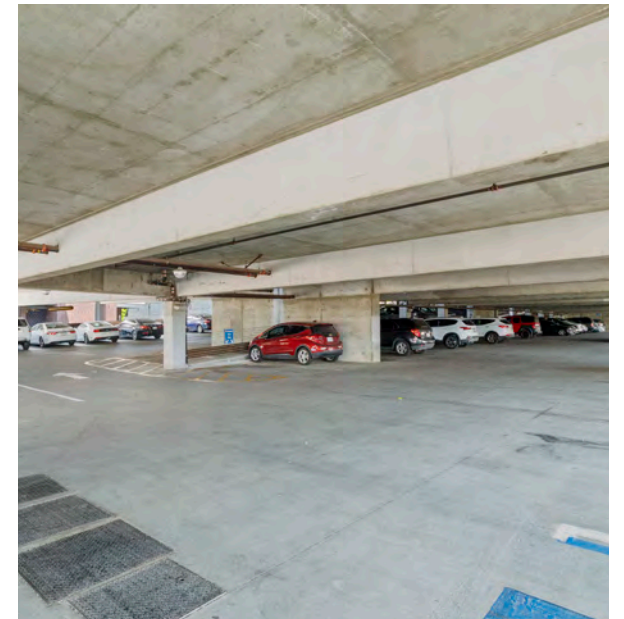
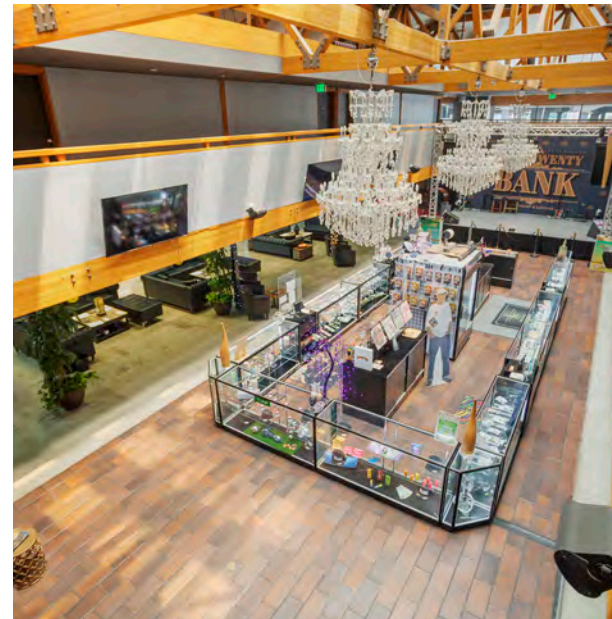














SATELLITE MAP (3D)





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02. FINANCIALS



FINANCIALS

PRICING DETAILS

PRICE		\$5,500,000
Price per Square Foot		\$339.51
Gross Square Footage		16,200
Lot Size		20,038
Year Built		1973
Year Renovated		2020

RETURNS	CURRENT	PRO FORMA
CAP Rate	5.45%	9.72%

RENT ROLL SUMMARY

# OF UNITS	TENANCY	AVG CURRENT	PRO FORMA
1	Single	\$25,000	\$45,550



FINANCIALS

OPERATING DATA

ANNUAL INCOME		CURRENT	PRO FORMA
Scheduled Gross Income		\$300,000	\$534,600
Less: Vacancy/Deductions		--	--
Gross Operating Income		\$300,000	\$534,600
Less: Expenses		--	--
Net Operating Income		\$300,000	\$534,600
Less Debt Service		(\$206,250)	(\$206,250)
Pre-Tax Cash Flow	6.82%**	\$93,750	23.88%** \$328,350

** As a percentage of Down Payment.



FINANCIALS

RENT ROLL

MTM	SF	% SF	MONTHLY RENT	ANNUAL RENT	RENT PSF	LEASE START	LEASE STOP	LEASE TYPE	OPTION	NOTES
*Four Twenty The Bank	16,200	100%	\$25,000.00	\$300,000.00	\$1.54	October 1, 2018	October 1, 2021	NNN	(3) 3 YEARS	MTM
Totals	16,200	--	\$25,000.00	\$300,000.00	\$1.54	--	--	--	--	--

*A temporary arrangement has been agreed to between the landlord and tenant, reducing the current monthly rent to \$12,500 p/mo.



FINANCIALS

LOAN OPTION

INDICATIVE LOAN PRICING	THE BANK
LOAN AMOUNT	\$4,125,000
FIXED	3 YEARS
LTV	75%
AMORTIZATION	--
INTEREST ONLY PERIOD	3 YEARS
PREPAY	--
RATE LOCK PERIOD	--
MINIMUM DEBT COVERAGE RATIO	--
MAX LOAN TO VALUE	--
DEBT COVERAGE RATIO AS UNDERWRITTEN	--
ESTIMATED INTEREST RATE	5.0%
APPROXIMATE ANNUAL PAYMENT (I.O.)	\$206,250

The above interest rates and loan terms are based upon Seller Financing currently being offered to qualified Buyers and are subject to Seller approval.




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03. COMPARABLES





SOLD COMPARABLES

#	ADDRESS	SALE PRICE	YEAR BUILT	SF	\$/SF	PARKING	TENANCY	DISTANCE	SOLD DATE	NOTES
1	458-464 S. Palm Canyon Dr. Palm Springs, CA 92262	\$4,100,000	1960	9,600	\$427.08	48	Multiple	0.5	October 27, 2022	--
2	2080 N. Palm Canyon Dr. Palm Springs, CA 92262	\$2,900,000	2008	6,747	\$429.82	30	Multiple	2.2	October 27, 2022	--
3	849 N. Palm Canyon Dr. Palm Springs, CA 92262	\$3,000,000	1955	8,050	\$372.67	10	Single	1.0	October 24, 2023	--
4	2665 E. Palm Canyon Dr. Palm Springs, CA 92262	\$2,000,000	1987	6,400	\$312.50	65	Single	3.3	January 3, 2023	--
Average		\$3,000,000	1978	7,699	\$385.52	38	-	1.8	--	--
	296 S. Palm Canyon Dr. Palm Springs, CA. 92262	\$5,500,000	1973	16,200	\$339.51	44	Single	--	--	MTM



SOLD COMPARABLES



296 S. PALM CANYON DR.
PALM SPRINGS, CA 92262

Close of Escrow	-
Sale Price	\$ 5,500,000
CAP Rate	5.45%
Year Built	1973 Renovated 2020
Price Per Square Foot	\$ 339.51



458-464 S. PALM CANYON DR.
PALM SPRINGS, CA 92262

Close of Escrow	October 27, 2022
Sale Price	\$ 4,100,000
CAP Rate	--
Year Built	1960
Price Per Square Foot	\$ 427.08

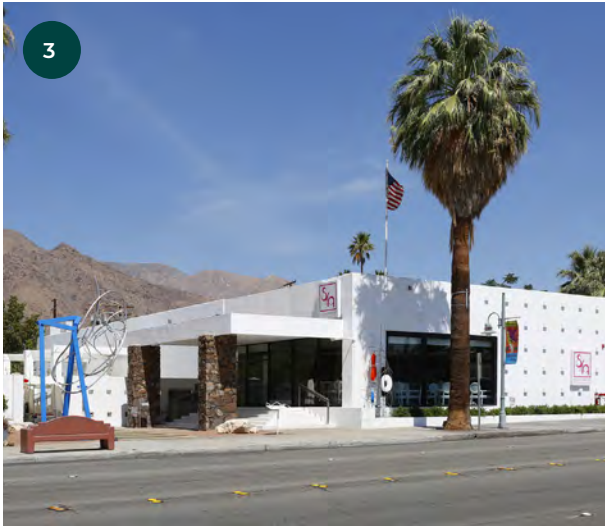


2080 N. PALM CANYON DR.
PALM SPRINGS, CA 92262

Close of Escrow	October 27, 2022
Sale Price	\$ 2,900,000
CAP Rate	--
Year Built	2008
Price Per Square Foot	\$ 429.82

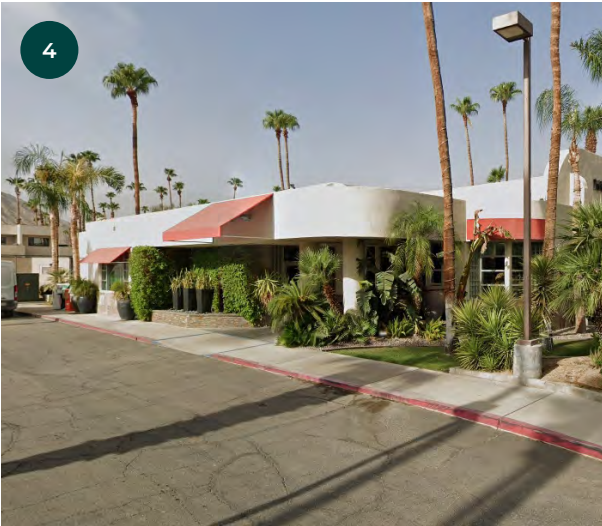


SOLD COMPARABLES



849 N. PALM CANYON DR.
PALM SPRINGS, CA 92262

Close of Escrow	October 24, 2023
Sale Price	\$ 3,000,000
CAP Rate	--
Year Built	1955
Price Per Square Foot	\$ 372.67



2665 E. PALM CANYON DR.
PALM SPRINGS, CA 92262

Close of Escrow	March 1, 2023
Sale Price	\$ 2,000,000
CAP Rate	--
Year Built	1987
Price Per Square Foot	\$ 312.50



SOLD COMPARABLES





RENT COMPARABLES

#	ADDRESS	SF	RENT PER SF	LEASE	YEAR BUILT	PARKING	DISTANCE	NOTES
1	500 S Palm Canyon Dr. Palm Springs, CA 92262	27,750	\$3.00	NNN	1968	58	0.6	Active
2	362-368 S Palm Canyon Dr. Palm Springs, CA 92262	34,287	\$2.75	NNN	2004	80	0.5	Active
3	1090 N Palm Canyon Dr. Palm Springs, CA 92262	16,622	\$2.75	NNN	1929	60	1.2	Active
4	100-139 S. Palm Canyon Dr. Palm Springs, CA 92262	39,245	\$2.95	NNN	1923	63	0.2	Active
Average		29,476	\$2.86	--	1956	65	0.63	--
	Subject Property 296 S. Palm Canyon Dr. Palm Springs, CA 92262	16,200	\$1.54	NNN	1973	44		MTM



AGUA CALIENTE CASINO

THE BANK

04. AREA OVERVIEW



POINTS OF INTEREST





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POINTS OF INTEREST



Palm Springs Art Museum (0.5 Miles)

Highlights a diverse collection of contemporary art, photography and Native American artifacts with rotating exhibits and sculpture garden.



Palm Springs Aerial Tramway (6.9 Miles)

A rotating tramcar that takes visitors from the desert floor to the alpine forest of Mount San Jacinto State Park, offering breathtaking views and incredible hiking trails.



Village Fest (0.1 Miles)

Is a weekly street fair held every Thursday evening featuring local vendors, artists, food stalls and live entertainment.



Agua Caliente Casino: (0.8 Miles)

A 340-room resort hotel and casino offering gaming, dining and live performances from the world greatest entertainers.



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POINTS OF INTEREST



Tahquitz Canyon: (1.4 Miles)

A beautiful hiking area managed by the Aqua Caliente Band of Cahuilla Indians featuring a 60-foot waterfall, rock art and cultural exhibit.



Palm Springs Air Museum (5.2 Miles)

A rotating tramcar that takes visitors from the desert floor to the alpine forest of Mount San Jacinto State Park, offering breathtaking views and incredible hiking trails.



Palm Springs Convention Center (1.1 Miles)

A major venue for conference, conventions and events located close to downtown Palm Springs



DEMOGRAPHICS

PALM SPRINGS, RIVERSIDE, CA

Palm Springs, located in Riverside County's Coachella Valley, is renowned for its scenic backdrop of Mt. San Jacinto and its vibrant mid-century modern architecture. With a permanent population of around 43,800 residents, swelling to nearly 75,000 during the winter months, it attracts numerous tourists drawn by its 350 days of sunshine annually. The city offers a variety of recreational amenities including golf courses, tennis courts, hiking trails, and cultural attractions like museums and the Walk of Stars. Downtown Palm Springs features Palm Canyon Drive, lined with shops, galleries, and restaurants, preserving its allure as a stylish getaway originally favored by Hollywood celebrities.

QUICK FACTS:

+ Palm Springs is celebrated as a haven for breathtaking architecture,

especially for enthusiasts of mid-century modern design. The city boasts a rich collection of innovative structures, ranging from celebrity homes to expansive hotels, all showcasing the vibrant spirit of modernist artistry. Architects like Richard Neutra, Albert Frey, and John Lautner have profoundly influenced Palm Springs' landscape with their iconic designs dating back to the 1950s and 60s.

+ The Palm Springs Aerial Tramway, operating since 1963, offers a convenient and scenic route from the Coachella Valley floor to the San Jacinto Peaks. In just 10 minutes, passengers enjoy breathtaking views while avoiding a challenging mountain hike. Upon arrival at the summit, visitors can explore dining options, hiking trails, and a museum, making it a popular attraction for both tourists and locals alike.



AVERAGE HOUSEHOLD
INCOME

\$114,736



MEDIAN AGE

57 years old



2021 ESTIMATED
POPULATION

44,935



TOTAL HOUSEHOLDS

23,889



BACHELORS DEGREE
OR HIGHER

23.99%



OVERVIEW

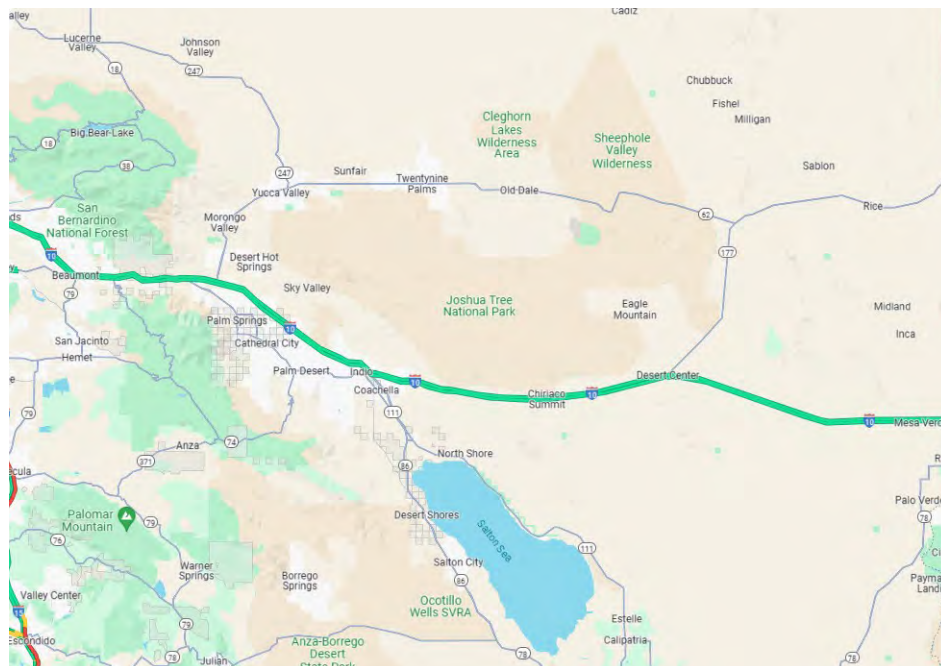
RIVERSIDE, CALIFORNIA

Riverside County, situated in Southern California and spanning over 7,000 square miles since its establishment in 1893, is anchored by Riverside, famous for its historic Mission Inn Hotel and the cultural influence of the University of California, Riverside. Moving beyond Riverside, the county showcases a diverse range of landscapes and communities.

Moreno Valley functions as a bustling suburban center ideal for commuters, while Corona attracts residents and tourists with its abundant parks and shopping options. Southward, Lake Elsinore offers a scenic escape against the Santa Ana Mountains, providing opportunities for outdoor enthusiasts such as water sports and hiking.

To the west lies the Temecula Valley, renowned for its flourishing wine industry and picturesque vineyards. Temecula's blend of Old West charm, reflected in its architecture and cultural events, is complemented by the luxurious amenities of the Pechanga Resort & Casino, making it a popular destination for leisure and entertainment.

Riverside County exemplifies the quintessential Southern California lifestyle, blending a rich historical tapestry, vibrant urban centers, and natural beauty. It serves as a compelling destination for both residents and visitors alike, offering a harmonious convergence of diverse communities and stunning landscapes.







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