



SCOTT LYLE REALTORS

www.palmspringsfinesthomes.com

The Palm Springs residential real estate market as it exists in January, 2016.

I have been selling Palm Springs residential real estate since 1978. I consider myself to be an “on the street” broker so I am capable of keeping a very good pulse on the local market. I also have the pleasure of meeting many of the new homebuyers and investors that come to our area each year.

Palm Springs is one of 11 cities that make up the Coachella Valley. It has a dramatic mountainside setting, close proximity to Los Angeles, San Diego and the beach communities. We have a charming & vital uptown & downtown (I will talk more about that later) and a rich history of celebrity ownership. Palm Springs is also home to the majority of hotel rooms in the Coachella Valley.

To better understand the market, as it exists now, we should look at how the area developed.

A History of Palm Springs Real Estate

Palm Springs originally attracted people in the 1920's and 1930's who wanted to enjoy the dry heat for its therapeutic effects. Most of the homes were originally built in the Spanish architectural style on large lots. In the 1940's, the area became the “it place” to visit and own homes for the Hollywood elite and party set. Palm Springs was THE place to be, and be seen, for many decades. There are hundreds of homes that can boast celebrity ties to them.

Then, in the early 1950's, a few ambitious developers came to the area and built tracts of homes with modern architecture. Palm Springs is recognized globally for having one of the highest concentrations of Mid-Century Modern homes in the country. In the 1970's, the desert area became a hot spot for “Snowbirds” looking for a sunny and warm winter home, with many in their retirement years. Thousands of condominiums were built at the time to accommodate this newer group of seasonal home owners and renters.

In the 1980's, with the original “studio celebrities” pretty much gone, and most of the growth heading east “down valley” and with the proliferation of golf and tennis focused Country Clubs, Palm Springs fell into decline. As the population boom moved east, major retailers relocated to the center of the valley – Rancho Mirage and Palm Desert. Palm Springs' downtown was left with mostly T-shirt shops and cheap eateries.



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Then in the 1990's, Palm Springs started to become re-discovered. Architectural enthusiasts started touting the large number of unspoiled Mid-Century Modern homes. Articles started appearing in many newspapers and magazines across the globe. A movement started for the purchase and restoration of these special homes. I would estimate that since then, over 2000 homes have been purchased and restored to their original glory.

Always a genuinely gay friendly town, the LGBT community started to purchase homes here in the early 1990's. I personally went from having less than 1% LGBT buyers in the 1980's, to over 65% in the early 2000's. Canadian buyers started flocking in as well. And finally, in the last 10 years, we have seen the younger, urban buyers - the Millennials, who have discovered the area while attending The Coachella Valley Music and Arts Festival. Add to that the many year round residents. We have come to see many people realize that they prefer to live here full time as more cultural opportunities have developed and more jobs have become available. It is easy to get anywhere in southern California from here easily. And you can't beat the weather 8 months per year. The other 4 months you enjoy the clear nights, dry heat and perhaps take time to travel.

Our downtown has found itself an entertainment and arts community. Once again Palm Springs has become the "hot spot" in the desert. And it's only getting hotter & more enticing with our whole downtown under redevelopment. From the swanky Uptown district, with its unique art galleries, modern furniture stores and new restaurants, to the charming shops and many eateries that make up Downtown's Palm Canyon Drive. And now, the "new" downtown will feature an outdoor mall and park surrounded by new hotels such as the Kimpton. A few blocks further north, the Hyatt Andaz is under construction. The largest of them all, the much anticipated Spa Casino Project, will see a world class hotel coming soon. It has been remarkable to witness the various projects being built in Palm Springs. There are new townhome neighborhoods with their own pools, new single family homes and even live/work housing being planned.

What makes it so unique is the way Palm Springs has grown back "over itself." Old Spanish architecture next to Mid-Century Modern Architecture, next to a brand new home, next to a 1940's ranch style home. I often tell people that our charming city is the most "non-master planned community" in the country. Just one component of what makes Palm Springs so unique and adds to the historic fabric and charm.

Where we are now

With so many entertainment options, and fantastic weather, smart investors have been purchasing single family homes and creating vacation rentals that they market on VRBO and AIRbnb. One major benefit is the ability to schedule your personal home enjoyment and yet generate cash while not in residence. Palm Springs has proven to be a wise place to invest decade over decade.



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In real estate valuations, Palm Springs is the best performing city in the Coachella Valley. A few facts:

1. **The market here peaked in January of 2006.**
2. **Palm Springs is only 12.9% off the historic sales highs while the rest of the area cities are still over 30% off from the high.**
3. **Palm Springs has a 4.9 month supply of homes available for purchase. Most surrounding cities have double that slower moving supply of available homes.**
4. **Only 2.8% of the sales in Palm Springs are distress sales. Many adjacent cities in the valley have "distressed inventory" at levels two or three times those in Palm Springs proper.**
5. **Palm Springs truly has nowhere to grow. Because we are a mountainside community, and hillside development is virtually impossible, available infill land is quickly being fully developed.**
6. **Home prices are still one half, or less, from what buyers would pay to live in other desirable southern California cities.**
7. **We are the closest community to the millions who live in Los Angeles, Orange County and San Diego.**
8. **The Palm Springs International Airport continues to welcome new airlines and enjoy new non-stop routes. We currently enjoy non-stop air service to Los Angeles, San Francisco, Seattle, Dallas, Chicago, New York, Canadian cities and others.**

In Summary

There is a strong demand from so many segments of the home buying population. Beautiful & peaceful neighborhoods combined with a growing and vibrant downtown ensures that Palm Springs will continue its renaissance as the premier desert resort in the United States.

We look forward to assisting you with your Palm Springs Real Estate investment.

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