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Las Vegas Condo Market Discussed

by Hubble Smith

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LAS VEGAS -- Nobody really knows the depth of the high-rise condominium market in Las Vegas, though nearly 1,000 have been built and sold and another 5,800 are under construction, a local economist said Tuesday.

[John Restrepo](#), principal of [Restrepo Consulting Group](#), predicted that 10,000 to 14,000 new units will come onto the market over the next five years, a mixture of straight condos and condo-hotels.

"It's a variety of things that come into play to see how deep we are," he said at a Nevada Contractors Association luncheon. "At one point we had 60,000 units planned. We were never as deep as we thought."

[Restrepo](#) counted 75 planned projects at 10 stories or higher with 41,000 condo units and 21 condo-hotel projects with 12,400 units. Of those, 15 condos and six condo-hotels have graded their site and put up a construction fence with a sign that "the most unique high-rise in the universe is coming any day now," he said.

Nine condo projects and three condo-hotels are "real," meaning you can see the steel going up, including One Queensridge Place at Alta Drive and Rampart Boulevard.

"We had a captive audience," said Bob Wallace, vice president of construction for Executive Home Builders, developer of the \$250 million Queensridge project with Peccole Nevada Corp. "We marketed to people who live in the area -- and it's a high-end area -- some of the folks whose kids have left and they don't need a big house anymore."

Several high-rise projects have been derailed in Las Vegas for a number of reasons, including lack of financing, rising construction costs, a shortage of qualified general contractors and overaggressive marketing teams that sold units before locking in costs.

[Restrepo](#) said six projects -- Liberty, Ivana, Icon, Krystal Sands, Hard Rock and Aqua Blue -- are "dead or wounded," canceled or put on hold for whatever reason. Three "John Does" are also on the R.I.P. list, he said.

Kenneth Haeger of Summit Consulting International said contractors must follow a critical path method for scheduling construction of high-rise projects, where a planned sequence of activities depends on various steps preceding each other.

"It's pretty simplistic," he said. "One activity has to be finished before I can start the next activity. We've got to have the rebar in before we can pour the concrete."

Inevitably, as a project proceeds, things happen that delay the schedule, Haeger said.

"Change orders, late deliveries. We had a water plant where the pumps were delivered late and they sued us for liquidation damages. A status check showed the foundation for the pumps was not ready for delivery, so the pumps did not impact the delay," Haeger said.

Research shows that 80 percent to 90 percent of condo buyers in the Strip corridor are speculators, investors and second-home buyers, [Restrepo](#) said. That's different from downtown, where the blend is probably 50-50 between local residents and second-home owners, he said.

"Very few people want to live on the Strip full time," he said. "Look at Turnberry Place and Park Towers. They're always dark."

That's why condo-hotel projects such as The Residences at MGM Grand, Platinum and several projects planned along the Harmon Avenue corridor have a good chance at succeeding.

"We do know there's a huge amount of interest in Las Vegas and people want to live here," [Restrepo](#) said. "People want to live near the ocean or water some people say the Strip is our ocean. I don't know about that."