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Real Estate and Development

Data point to workplace housing shortage in 2009

By Brian Wargo / Staff Writer

With Las Vegas having more than 29,000 homes, townhouses and condos on the market, the Southern Nevada Home Builders Association released a report last month that the region would have a shortage of workforce housing by 2009.

The report, drafted by Las Vegas consulting firm Applied Analysis, said it's possible because of the opening of resorts on the Strip in 2009 and 2010. The creation of jobs will fuel the demand for migration to Las Vegas and the need for more homes, the report said.

If that is true, it means people looking for bargains better buy homes in 2008 because strong demand will only increase housing prices.

"We think it is a matter of grave concern to the community," said Monica Caruso, spokeswoman for the homebuilders. "With the resorts opening, that is going to bring in tens of thousands of jobs, and our industry has to ratchet up to address workforce housing at the end of 2009. People are well served to get a roof over their head quickly. We are going to have no place to live, and people are going to have to double up and triple up."

The dire nature of what the report is predicting has prompted another Las Vegas analyst, [Restrepo Consulting](#), to announce that the firm and other analysts are reviewing the report to see if that scenario will unfold. [Restrepo](#) says the housing report will be referenced in a study it is doing on economic diversification for the Southern Nevada Regional Planning Coalition, which is composed of local government entities.

[Restrepo](#) said the firm has put together a consortium of national, regional and local consulting firms with extensive experience in evaluating housing markets across the country to look at the report. If the firm's findings are supported, they pose some interesting challenges for homebuilders and for recruiting workers to Southern Nevada. The message will be going out that Las Vegas has a housing shortage and that potentially means more expensive housing, it says.

"We have been asked by a number of our private-sector and public clients to evaluate the assumptions and methodologies in that report to see if it makes sense," [Restrepo](#) said. "We are trying to replicate the same conclusions. It has an effect on recruiting companies to Southern Nevada. We already have some challenges we are facing and if the message goes out, and if it is a true message, it is what it is, and we will support it completely. Our clients just want us to make sure the report is valid so, if there is a housing shortage, we need to plan accordingly."

Applied Analysis Principal Jeremy Aguero says his projections were based on the demand for employees, and he is confident in his report and has vetted the numbers. But he admits when it comes to analysts, reasonable minds can differ, he says.

"We feel comfortable with it," Aguero said.

The homebuilders are confident in the report and stand by it, Caruso said. Applied Analysis is one of the top firms in the community and works for state and local governments.

In other news:

The Las Vegas City Council has passed a bill authorizing the recording of conditions, limitations and requirements associated with a zoning action with the Clark County recorder's office. The measure was adopted to make property information more readily accessible so that buyers can review the conditions.

The value of building permits in Las Vegas rose 9 percent in November compared with November 2006. There were \$51.1 million in permits issued, up from \$46.9 million. Through 11 months of the year, the value of permits is down 31 percent from the same period in 2006. The value of housing permits in November fell from \$19.4 million to \$14.9 million. The biggest increase in value was in new commercial construction, which nearly doubled to \$20.1 million in November.

Bobby Baldwin, MGM Mirage's chief design and construction officer and chief executive of CityCenter, has bought an 11,610-square-foot home in Southern Highlands for \$4.5 million. About a year ago, Baldwin bought a condo at Panorama Towers for \$1.5 million.

Indiana Pacers basketball All Star Jermaine O'Neal and his wife, LaMesha, have bought a 7,487-square-foot home on Moss Spring Court in Henderson for \$3.6 million.

The Southern Nevada Index of Leading Economic Indicators for November turned upward, albeit very little, as has been the trend since mid-2005. Seven of the 10 indicators were up with gross gaming revenue at the top of the list, according to the UNLV's Center for Business and Economic Research. The index forecast for the first quarter of 2008 remains mixed, not showing signs of expansion or contraction, according to Keith Schwer, the center's director.

Breslin Builders has started construction on the \$33 million Metreon Las Vegas, an enclave of shops and restaurants on the northeast corner of West Flamingo Road and Interstate 215. The mixed-use project of Kennedy Commercial will feature 110,000 square feet of boutique retail shopping and professional offices. Meteron plans to incorporate two five-story buildings with live/work units. The first phase is expected to be finished by mid-2008 and open in the fall.

The Society of Industrial and Office Realtors Nevada chapter named Donna Alderson of CB Richard Ellis and LaPour the people's choice broker of the year and developer of the year, respectively. Chuck Witters of Lee & Associates was named the top cooperating broker, which was based on the member who has cooperated on the most real estate transactions. The CB Richard Ellis office team of Randy Broadhead and Brad Peterson received the 2007 Top Producer award for having the highest transaction volume for the year.

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