

Some 100 condos at Veer Towers come onto market

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The inventory of high-rise condo units available for sale in Las Vegas grew by about 25 percent as 100 units at Veer Towers have come to the market, a local broker said Friday.

A New York investment group that bought 427 units at Veer in December is releasing inventory starting at \$228,000 for a 534-square-foot studio unit.

"That's very cheap," said Jim Brooks, owner of Brooks & Associates realty firm. "I think they'll do very well with that."

Veer Towers, built at a 5-degree slant, are the residential centerpiece of CityCenter, the Strip megaresort developed by MGM Resorts International. Analysts had predicted the bulk-sale units would be held as rentals for a period of three to five years.

Jim Navarro, vice president of sales for Aventura, Fla.-based Pordes Residential, said investors' strategy was always to come to market when they got certification to sell.

Pordes is handling sales and marketing at Veer.

"If you go up and down the Strip, this is the only residential building for sale," Navarro said. "We felt we need to be very competitive in the marketplace. The location is great. You're buying a 16 million-square-foot playground with everything at your fingertips."



LAS VEGAS REVIEW-JOURNAL FILE PHOTO
High-rise residential properties, such as the Trump Tower in Las Vegas, also offer condos for sale. Veer Towers at CityCenter is now marketing units at competitive prices.

Brooks said there are currently 374 high-rise condo and condo-hotel units exclusively listed by brokers in Las Vegas, with 153 contingent or pending sales.

"I think there's a perception that we have so many condo-hotels available," he said. "Vdara is not even doing sales any more. Palms Place only let half of their 600 units come to market and the other half is held by the developer. You have a fully furnished hotel suite. Signature is mostly resales."

With tight inventory, every condo project saw price appreciation in 2012, the high-rise broker said.

Turnberry Place, hobbled by the closure of its Stirling Club, was at the low end at about 4 percent appreciation, while Panorama and Trump increased prices by 30 percent, Brooks reported.

High-rise market investors are still out there and the size of their investment pool has grown larger, said Dennis Smith, president of Home Builders Research in Las Vegas.

"We've got hedge funds where money is no object," Smith said at a high-rise panel presented Wednesday by the Women's Council of Realtors. "They can raise money. The cash is there. They can go overseas and talk to clients about buying something in Las Vegas for less than the cost to produce it."

Matt Brimhall, vice president of sales at Trump Las Vegas, said units that cost \$1,000 a square foot to build are being sold at \$500 a square foot. Demand for high-rise condos is reaching a peak he hasn't seen since the days of "make-believe" projects.

"Overall, we see more people wanting to live that lifestyle, but they're from outside Nevada," Brimhall said. "Vancouver, Toronto, Beijing, Hong Kong, Singapore ... we always find out when there's a delay in the wire (funds)."

Brooks said it's almost all investors buying condo-hotels in Las Vegas, with about two-thirds of his clients coming from Southern California. Others are from Florida and New York.

Return on investment is minimal, he said. People aren't buying them as "cash cows," expecting to see returns of 8 percent to 10 percent.

The high-rise market will see steady appreciation in 2013, though not as high as last year. Lack of financing is holding values down, Brooks said.

The marketwide average price is about \$250 a square foot, with some units at places such as Trump Las Vegas probably double that, the broker said.

"I think prices are going to be affected by what happened at Veer," housing analyst Smith said. "There's going to be comps (comparable sales) based on what happened there."

LVT Owner LLC, an entity of New York-based Ladder Capital Finance, closed escrow in December on 427 units at Veer for \$119 million, or about \$279,000 a unit.

"Had MGM offered Veer units in the average price range of \$279,000 some time ago, I think local real estate brokers would have had lots of buyers," high-rise broker Bruce Hiatt said.

Navarro said the owners would be making some aesthetic changes at Veer, mainly in the pool deck area, lobby, owners' lounge and business center.

"The building has a very urban flavor and we're going to add a high-end residential feel to it," he said.

A third-quarter condo report from Las Vegas-based HiRiseLiving.com showed 463 units listed for sale, including condo-hotels, out of a total inventory of 5,655 units.