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## Consultant sees no housing bubble in LV

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[REVIEW-JOURNAL](#)



Toll Bros. is developing the Traccia subdivision off the Las Vegas Beltway in Summerlin, north of Sahara Avenue. A real estate consultant said that the Las Vegas housing market is strong and bubble-free.

Photo by [John Gurzinski](#).

safety net is California," he said.

Sullivan said Las Vegas can't have a housing bubble with this kind of job growth and in-migration and when land is hard to find and there's not much housing inventory. Any talk of a housing bubble is probably coming from outside the market, he said.

"My fear is particularly Wall Street-related," Sullivan said. "Wall Street tends to look at markets as black and white. This is not a market where we'll see 50 percent appreciation, but there's still going to be appreciation."

The median price of a new home in Las Vegas, including condo conversion was \$297,555 in September, an increase of \$18,631, or 6.7 percent, from

The much ballyhooed housing bubble isn't happening Las Vegas, a real estate consultant said Tuesday.

At a housing seminar at the Four Seasons, Tim Sullivan, principal of San Diego-based Sullivan Group Real Estate Advisors, said a housing bubble would defy all fundamentals of the local market

"The market's not going to hell in a hand basket, and our

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the same month a year ago, Home Builders Research President Dennis Smith said. Median prices for existing homes rose 14 percent to \$285,000

Las Vegas is still a "mecca" for Californians in search of a good deal on a home, Sullivan said. But high-density land play in suburban markets has changed, he added, especially after the frenzy over mid- and high-rise condominium projects.

"It's softened, maybe not softened, but it's back to normal," he said.

With billions of dollars of development going into the Strip resort corridor and the South Coast casino under construction on the south Strip, the price of land in those areas may be justifiable, Sullivan said. It's much tougher to convince developers about projects in the suburban market, he added.

"My thought is if we had the Curve developed, it would be highly successful," he said of the planned mixed-use development at the Las Vegas Beltway and Durango Drive. "But they've got to prove it. Right now, there's a lot more hype than reality."

Development is moving away from classic suburban markets because of land availability and back to downtown cores where density is higher, Sullivan said.

Timothy McPeak, who attended Sullivan's seminar on behalf of Babcock & Brown investment advisory firm in San Francisco, said he got the message that the sky isn't falling.

"It's just a return to normal conditions. We'll see what happens. It's market by market. Where I live, it's just crazy," he said.

Smith reported that new-home building permits slipped to 2,121 in September, down by more than 1,000 from the previous month.

"Should we be concerned? Is some of the air being released from that bubble we keep reading and hearing about in the media?" he said.

Rising mortgage rates and declining consumer confidence will take out so many of the investor buyers, Smith said.

"We don't think many of the home equity investors have planned or sufficiently budgeted for the rise in their payments if they are interest-on or if the payments are based on prime rate changes," he said. "If payments for investments are made from equity lines of credit, in many instances, these payments may have doubled."