

Real Estate and Development

Report sees housing on decline till April '08

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By [Brian Wargo / Staff Writer](#)

National analysts are at it again in predicting what's going to happen the Las Vegas housing market.

It's not the doom and gloom predictions of the past suggesting a decrease in home prices of 20 percent to 30 percent or more. Money Magazine cited a report from Fiserv Lending Solutions that analyzed the 100 largest markets in the country, and it predicted Las Vegas will have the steepest decline in home prices between April 2007 and April 2008.

The projected 8.9 percent drop for Las Vegas follows a 5 percent decline in the last 12 months, the magazine reported. The expected drop for Las Vegas eclipses an 8.8 percent decline predicted for Miami. No other city is expected to have more than a 6 percent decline.

The reason behind the decline is that regions that saw the greatest appreciation and speculation during the boom are "now taking the hardest hit - and will continue to do so until all the air is out of the bubble," Money reported.

The expected drop mirrors the prediction by the Nevada Association of Realtors, which reported prices will drop 7 percent to 10 percent by early 2008.

Even the National Association of Realtors isn't painting a rosy picture of the housing market. It announced April 11 that it expects home prices to fall for the first time since it started tracking them nearly 40 years ago.

The NAR predicts prices for the nation as a whole will drop 0.7 percent. The reason is that many lenders in the subprime mortgage sector have stopped making loans because of delinquencies and defaults.

It predicted that markets that saw huge price gains in 2004 and 2005 will see declines.

Even Jeffrey Mezger, chief executive of KB Home, said he expects the housing slump to worsen. Mezger - who took over for Bruce Karatz, who stepped down when a stock option scandal broke - said it will get tougher before it gets better. He added it will get better because of the growth in jobs.

KB Home's earnings dropped in the first quarter, and the company warned that because of the subprime mortgage sector, it would have lower sales and profits this year.

Kenneth Heebner, who manages the CGM Realty Fund, one of the top-performing real estate funds over the past decade, said the nation's home prices may plunge as much as 20 percent in some markets because of rising defaults from subprime loans. That would flood the real estate market and prices and be the "biggest housing price decline since the Great Depression," he told Bloomberg.com.

Las Vegas has the highest foreclosure rate in the country.

CGM Realty holds shares of Las Vegas Sands Corp. Heeber sold homebuilder stocks after owning them from 2001 to 2005.

- Las Vegas-based design firm PGAL won first place in a city of Henderson residential design competition that incorporates recycled materials, including shipping containers. The competition wanted designs that maximize the quality of life while preserving natural resources. PGAL calls its design the HeLA House after the human HeLa cell, which reproduces indefinitely.

Mr. Shipping Container, Arnie Stalk, who is working on producing homes out of shipping containers for disasters and permanent use, has been named a "Daily Point of Light" by the Points of Light Foundation in Washington, D.C. Over his career, he designed a methadone clinic in Los Angeles and served on other organizations. He is a member of the board of directors of the American Red Cross, Southern Nevada chapter and United Way of Southern Nevada.

- National Real Estate Investors, for the fourth year in a row, has ranked CB Richard Ellis No. 1 out of the 25 largest brokerage firms in the world. The ranking is based on the aggregate value of sales and leasing transactions. The firm, which acquired Trammel Crow Company in December, is the largest commercial real estate services firm in Las Vegas.

- Marcus & Millichap Real Estate Investment Services has arranged the sale of the 94,076 square-foot Canyon State Oil portfolio in Nevada, Texas and Colorado. The sales price of \$11.2 million is a price per square foot of \$120. The seller is New Jersey-based Sovereign Investment Company while the buyer is Pittsburgh-based Herman Investment Co. The 27,576-square-foot Canyon State Oil property in North Las Vegas, 4581 Eaker St., was sold for \$4.75 million.
- The Greater Las Vegas Association will hold its 17th annual Realtor Rally on April 26 and 27 at the Las Vegas Convention Center. The largest annual trade show for the GLVAR serves as a networking and continuing education event for the real estate community.

The event is open to the public and features more than 200 vendors, including real estate firms, related businesses, booths featuring fashion and beauty. One-day passes cost \$30. For more information, go to www.lasvegasrealtor.com

- Glen, Smith & Glen have completed the first phase of The Park at Northpointe, a 13-acre business park in North Las Vegas on Martin Luther King Boulevard between Craig Road and Alexander Road.
- Nigro Development's Horizon Village Square announced it's nearing full occupancy. The 13-acre retail center in Henderson on the southwest corner of Horizon Ridge Parkway and Horizon Drive includes such new tenants as Wells Fargo, Starbucks, Subway, Cold Stone Creamery, Buffalo Wild Wings, Great Clips and Weight Watchers. It is anchored by Vons.
- Stonecrest Builders said it has completed the 400-unit, \$50 million Turtle Creek Apartment project on Boulder Highway. The project of Epic Development has 29 apartment buildings, two swimming pools and an 1,800 square-foot administration and recreation building.

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