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Valley land prices strong into 2007

BY TONY ILLIA

Southern Nevada property prices remained robust in the first quarter, with average vacant land prices of \$793,000 per acre, reports Applied Analysis, a Las Vegas-based economic research firm. There were 164 parcels sold in the first quarter totaling 887 acres with an average sale price of \$18.22 per square foot. This marks a 13.2 percent year-to-year price appreciation; a 31.2 percent annual gain when Strip resort deals are excluded.

"We expect continued stability in the land market despite softness within the residential sector, as active commercial development continues to press forward," said Brian Gordon, principal of Applied Analysis.



There were 190 fewer parcels sold in the first quarter, a 53.7 percent drop versus last year, due in large part to a diminishing land supply and less activity among speculators. As a result, total acreage that changed hands dipped by 47 percent since 2006. The price per acre increased, however, by \$92,700, or \$2.13 per square foot, in the first quarter when compared with last year.

Several recent large Strip transactions are likely to skew those numbers in the second quarter, including MGM Mirage's purchase of 7.65 acres of vacant land at the northwest corner of Las Vegas Boulevard and Circus Circus Drive for \$131.6 million, or \$17,202,614 per acre, from Concord Wilshire Acquisitions. The deal closed escrow last week. The Strip-front property was the mooted site of a Maxim magazine-themed, condo-resort project which has now gone onto the scrap heap. Colliers International's Michael Mixer and Alexander Rodrigo represented MGM.

"While a significant amount of interest in resort properties remains, we have yet to witness the closing of several announced transactions that will likely be reflected in our second quarter report," said Gordon. "That said, non-resort property values appear to have held their ground."

PROJECTS

Nigro Development completed a \$15 million, 75,000-square-foot Hampton Inn & Suites at the southwest corner of St. Rose Parkway and Seven Hills Drive in Henderson. The hotel anchors Nigro's eight-acre, \$25 million, mixed-use development, The Place at Seven Hills. It consists of a 5,500-square-foot tavern and restaurant, and 20,000 square feet of retail space.

The Korte Co. recently completed a \$2.3 million expansion of St. John's Church at 150 N. Moapa Valley Blvd., in Overton. The 9,960-square foot project consisted of building a large multi-purpose room, administrative offices, small meeting rooms and a commercial kitchen.

Crisci Builders completed a 33,000-square-foot tenant improvement for Snell & Wilmer, in the Hughes Center at 3883 Howard Hughes Parkway, Suite 1100. The six-month, \$2.8 million project was designed by Gensler of Nevada.

Crisci also finished a 5,538-square-foot tenant improvement for Teksystems, in the Marnell Corporate Center at 6720 Via Austi Parkway, Suite 200. The three-month, \$320,000 project was designed by Parker Scaggiari.

LM Construction is building a \$5,647,261 store for American Stone Co., at Civic Center Drive and Gowan Avenue in North Las Vegas. The two-story, 150,000-square-foot building is scheduled to finish by early 2008.

MILLION-DOLLAR DEALS

821 Grier LLC bought a 44,631-square-foot industrial building in the Hughes Airport Center at 821 Grier Drive for \$10 million, or \$224 per square foot, from CIP Real Estate and Buchanan Street Investors. Voit Commercial Brokerage's Mike Hefner, Kevin Higgins and Garrett Toft represented the seller, and Joel Laub & Associates' Mike Marrone represented the buyer. The property had been leased for a five-year term by JT3, a specialized defense firm jointly owned by Raytheon and EG&G.

Dave Savage bought the 112-unit Ridgewood Apartments at 3355 Arville St. for \$8.6 million, or \$76,785 per unit, from Farmer LP. NAI Horizon's Doug Schuster represented the buyer. Situated on 4.11 acres, the 848,000-square-foot complex represents a sale price of \$10.14 per square foot.

Bard Hofland bought a 13,843-square-foot office building at 228 S. Fourth St. for \$3.25 million, or \$234 per square foot, from 228 South Fourth Street LLC. IPG Commercial's Dean Willmore, Elizabeth Moore and Joe Samples represented both the buyer and seller.

Kwan Family Trust bought an 8,343-square-foot industrial building at 5041 Sobb Ave. for \$1.5 million, or \$180 per square foot, from LVEP LLC. Sweetland Industrial Realty's Paul Sweetland represented both the buyer and the seller.

AVW-TELAV Inc. signed a 56-month, \$1.16 million lease for 35,000 square feet of industrial/warehouse space in the Majestic Runway Park at 3325 W. Sunset Rd., Suites C-D. Colliers International's Pat Marsh and Ben Jensen represented the tenant. The reported average rent equals 59 cents per square foot.

VEP LLC bought 6,720 square feet of industrial space at 4325 W. Patrick Lane, Suite 11 for \$1.15 million, or \$170 per square foot, from Promontory Partners LLC. Colliers International's Greg Pancirov represented the seller, and Paul Sweetland represented the buyer.

Flo Inc. bought 7,891 square feet of light distribution space in the Saddleback Post Business Park at 5021 Sobb Ave., Building 14, for \$1.14 million, or \$145 per square foot, from Post LP. Colliers International's Marsh and Jensen represented the buyer, and Colliers International's Dan Doherty and Patti Dillon represented the seller.

J.O. Beamsley bought 4,930 square feet of medical office space at 4240 Simmons St. in North Las Vegas for \$1.01 million, or \$204 per square foot, from MDL Group-S Scaletta/J Bergquist. Coldwell Banker Commercial's Gary Banner represented the buyer.

Correction: Information on the new American Stone Co. store at Civic Center Drive and Gowan Avenue in Las Vegas was incorrectly cited. It will be a \$2.96 million, 18,726-square-foot facility. The Business Press regrets the error.