

# Las Vegas Closing in on full house

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AP

Las Vegas buckwheat, shown in the photo, is one of two rare plant species whose discovery threatens to postpone a southern Nevada land auction in February and block plans to build thousands of homes in a swath of desert just north of Las Vegas, according to Las Vegas City Council members.

**LAS VEGAS** -- Flying into this desert metropolis is as deceiving as a mirage. From 10,000 feet you see empty land in all directions and swear the pace of suburban sprawl could go on unchecked.

You'd swear no end's in sight to subdivisions stretching for miles beyond the Strip, enclaves of single-family houses that draw thousands of Californians and other migrants a year.

Look again. The valley that Las Vegas and 1.8 million residents call home is nearly built out. Mountains, national parks, military bases, an Indian community and a critter called the desert tortoise have Sin City hemmed in. At the current building pace in

the USA's fastest-growing major metro area, available acreage will be gone in less than a decade, developers and real estate analysts say.

Yet growth pressure and housing demand won't abate. Greater Las Vegas will add 1 million residents in the next 10 years, state estimates say, and hit 3 million by 2020.

"You hear anywhere from a seven to 10 years supply at our growth rates and the valley's full," says developer Kenneth Smith of Glen, Smith and Glen. At least \$20 billion in new projects are planned on the Strip, including 40,000 more hotel rooms, says the Nevada Development Authority.

A scarcity of land -- or just as important, says Hal Rothman, a University of Nevada-Las Vegas history professor, the perception that it's scarce -- is driving prices skyward. "The result was a rush," he says. "The situation is making a new valley around us, one that will be more crowded and expensive."

Developers who 15 years ago paid less than \$40,000 an acre are paying more than \$300,000 today. In an auction of public land that went on the market last year, a developer paid \$639 million for 2,655 acres.

The Las Vegas stereotype of cheap housing, cheap labor and a limitless supply of cheap desert land is dying. The metro area has tripled in size since 1986, pushing close to public lands and critical tortoise habitat. A 1998 federal law that grew out of a legal settlement to protect habitat drew a boundary and set limits on future growth. The law authorized the Bureau of Land Management (BLM) to sell land it owns inside the boundary when Clark County or its cities wanted to grow. About 75,000 acres were supposed to last 30 years, but two-thirds has been snapped up.

The rest is being consumed at 6,000 to 7,000 acres a year, estimates the CEO of Focus One Property, John Ritter (no relation to the reporter). His company paid \$557 million for 1,940 acres in 2004 and \$510million for 1,710 last year.

Vast cookie-cutter subdivisions, as symbolic of Las Vegas' extended boom as its megacasinos, will be consigned to far-flung areas beyond the metro core, requiring hefty commutes to the Strip and other job centers, developers say. In the valley, "the big house on the big lot is more the exception than the rule now," Ritter says.

#### Building farther out

Las Vegas builders will go north outside the valley along Interstate 15 toward Mesquite, and south, toward Kingman, Ariz., and the site of a proposed new airport, says Somer Hollingsworth, president of the Nevada Development Authority. "This is a whole new ballgame ... thinking like a big city," he says.

Developers are leapfrogging over BLM land with plans for big projects, such as 42,000-acre Coyote Springs 50 miles north of here. That's "drive until you qualify" territory for homebuyers seeking affordable mortgages. But costs of building roads, sewers and utilities "are incredible," says Steve Bottfeld, senior analyst of Marketing Solutions, a local research firm. "Don't look for it to happen in 10 years."

Las Vegas' real-estate market has softened, but not as much as in the rest of the country. Demand remains high.

"Everybody thinks the sky is falling because their home isn't selling in 24 hours for more than the asking price like the last few years," developer Smith says. "That market was white-hot and unhealthy."

Developers don't expect land prices to fall. They're packing houses in traditional subdivisions so close together neighbors can practically shake hands out their windows. Economics are moving developers toward a slow embrace of trends familiar elsewhere.

#### Mixing housing, retail

High-rises, shorter "mid-rises" and town houses aren't confined to the Strip and downtown Las Vegas. Projects that planners in other cities call "smart growth" and "new urbanism" are on drawing boards across Clark County.

That means more units to an acre and a variety of housing types and architectural styles, tiny yards or no yards but generous public spaces, narrow one-way streets that slow traffic, neighborhood designs that promote walking and old-fashioned alleys with garages in back instead of showcased out front.

"This isn't something that's trickling down, it's flowing down, top to bottom, fast," Bottfeld says. "It's the Manhattanization of Las Vegas."

Focus One has three new urbanism projects in design. "It's like Southern California, New York, San Francisco and any other place with a very constrained supply of land and a lot of demand," Ritter says.

"Mixed use" is now in vogue -- projects that blend housing, retail and entertainment and cut down on driving. Sullivan Square will be built on that model: 1,300 units in 20-story high-rises on 16.5 acres off the Interstate 215 beltway, 6 miles from the Strip.

"It's very Old World, very European," says Marc Medrano, a casino designer who bought a 17th-floor unit because he got tired of maintaining a big yard at his house on a golf course. "It's like a self-contained walking community," he says. "You could go to the gym, go to the bank, go to the butcher, get your lashes tinted, whatever."

Consumers don't resist because most Las Vegans are from someplace else, Smith says. "They've seen it, they know it, they're comfortable with it," he says. "We hear people say, 'I never thought it would happen here. I've been waiting for it.'"

Since Clark County passed zoning changes that promote higher density, more than 80 projects have been approved in the past two years. "This is the time to be visionary, to do things that urban areas seem to do historically, which is become more dense," says Clark County Commissioner Rory Reid.

GRAPHIC, B/W, Adrienne Lewis, USA TODAY, Source: Bureau of Land Management (Map); GRAPHIC, B/W, Julie Snider, USA TODAY, Source: Nevada State Demographer's Office (Line graph); PHOTO, B/W, Steve Marcus for USA TODAY

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