

# Demand for Vegas ultra luxury remains strong

The Ridges mansion recently listed for \$17.75 million and is expected to close next month. It created for the former MGM Resorts International CEO Jim Murren by world-renowned architecture firm Marmol Radziner, builder Jack Raftery and artist James Turrell. (IS Luxury)

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Despite a national report that highlighted luxury listings in Las Vegas fell 36 percent during the second quarter — the largest decline in the nation — the valley's luxury market continues to remain elevated in the ultra luxury category as evidenced by former MGM Resorts International CEO Jim Murren's Summerlin home under contract after being listed for \$17.75 million.

There were 136 sales of \$1 million and above during July with an average price of \$1.93 million and 182 sales that are pending, according to Forrest Barbee, corporate broker with Berkshire Hathaway Home Services. July marked the first month in 2023 that luxury sales topped the month in the previous year. There were 106 closings in July 2022 when the market started to feel the effects of higher interest rates and concerns about the economy.

Through the first seven months of 2023, the 817 sales of \$1 million and higher are down 25.6 percent, compared to the 1,099 during the same period in 2022 when the first seven months were the best start in history. Prior to the pandemic, luxury demand in Las Vegas was much softer with 333 sales of \$1 million and higher in 2019 — a number that doesn't take into account how home prices have risen over the last four years to push more into that luxury threshold.

Redfin, which defines luxury as sales in Las Vegas at \$850,000 and above, said luxury home sales across the nation fell 24 percent year over year in the second quarter. What made national headlines in their report was that the 36 percent drop in listings in the second quarter in Las Vegas was the largest of the top 50 biggest cities in the country. Phoenix was second with 34.9 percent.

In tracking the market of \$1 million and above, Barbee reported Las Vegas had 253 listings to start August, down from 310 at the start of July. There were 362 listings at the start of August 2022, down from 464 at the start of July 2022.

While sales under \$3 million have been impacted the most, there's still strong interest in higher-priced homes as evidence over the last 3½ months by a \$20 million sale in Ascaya in Henderson, \$15.5 million in The Summit Club in Summerlin, \$14.25 million in Ascaya, \$12.9 million in

MacDonald Highlands in Henderson, \$11 million in The Ridges in Summerlin and \$10 million in the Ridges.

“It is easier to sell a \$15 million home right now than it is to sell a \$4 million home,” said Ken Lowman, a Realtor with Luxury Homes of Las Vegas. “The ultra uber wealthy always have money, but they are the ones that benefit the most from fleeing a tax-heavy state like California and coming to Las Vegas. They are not worried one bit about higher interest rates.”

Lowman acknowledged that the luxury inventory has been lower these days with fewer listings, but that hasn't been a big problem in meeting demand.

“There's not a whole lot of sellers, but there's also not a whole lot of buyers either,” Lowman said. “It keeps the market fairly balanced.”

There are fewer listings because a lot of people who wanted to move out of their home did so in 2021 and those interested in doing so today (those who own lower-end luxury homes) don't want to give up their lower interest rate for a higher one, Lowman said.

“I think 2021 was a banner year and people changed their house or their location or if they wanted a home gym or theater they got that,” Lowman said. “A lot of the sales got

pulled forward into 2021. And with the interest rates more than doubling, people don't want to give up the 2.5 percent to 2.75 percent low-rate loan they have. If they were to sell that house and move into another house, they would have to refinance at today's rates. That payment would be quite a bit higher."

As for why Las Vegas had a bigger decline than other cities, Lowman attributed that to the strength of 2021 luxury that other cities didn't experience to that degree.

"For us, 2021 was such a banner year and we did almost three times as much sales as we do in a normal year," Lowman said. "The other thing might be that fewer people are leaving Las Vegas. We're an in-migration state where people are leaving their high cost of living areas like California and other states and coming to Vegas. After they've been here a couple of years, they want to stay. We probably have fewer people that pick up and get out."

Prices are stable in the luxury market and that's probably a good thing that there aren't a lot of listings right now, Lowman added.

"If the buyers would return to the market in full force, it wouldn't take much for the market to get really hot again," Lowman said. "The contrast would be worse if a whole bunch of people listed right now because we don't have a

ton of buyers either. That would cause prices to go down."

Ivan Sher, the owner of IS Luxury who represents Murren and the buyer of his home in The Ridges, said the luxury market typically slows in the summer and with record heat in July that made it even more so.

"I always say the activity drops but the quality of what happens increases," Sher said. "If you get somebody to fly in from California to look at a house when it's 115 degrees, they are not looking at the house, they are buying it."

Sher said he's not worried about fewer listings and expects those numbers to increase in the fall. It hasn't been negative.

"The fact that there's low inventory is helping create the market right now because of supply and demand," Sher said.

Going forward, Sher said he expects values to increase for newer constructed luxury homes with the aesthetics people are seeking.

"The referrals I am getting from out of state have never been this high," Sher said. "So many people are fed up with their living environments whether it's politics or taxes, and they recognize Vegas can offer so much for them in terms of lifestyle and social aspects. People are beginning to realize you can raise your children easily and well in Las Vegas, probably better than you can in L.A., New York and Chicago.

We are much-more well-rounded and sophisticated city and a better environment for families."

## Murren home under contract

There's about to be another high-end luxury property join that high-end list when it closes at the end of September in The Ridges for \$17.5 million owned by Murren. He listed it in July 2020 at the start of the pandemic for \$10.5 million before removing it. This time, the home found a buyer after being on the market for 40 days.

"It's under contract for a cash purchase with a great buyer," said Sher, who referred to him as an unnamed Las Vegas businessman.

Murren's home on Painted Feather Way was created for the Murrens by world-renowned architecture firm Marmol Radziner, builder Jack Raftery and artist James Turrell. The nearly 13,000-square-foot estate built in 2009 is composed entirely of glass, steel and concrete.

"It's one of the most iconic homes in the city on one of the best lots in The Ridges," Sher said. We have a home that is architecturally amazing. What they did so well with that house is not only did they take this modern approach but they mixed it in with the desert landscaping and Zen feeling with a garden. Within the home, they also softened it with

wood floors in some areas. It's this great livable but strikingly modern home in a great acre-and-a-half natural habitat."

It has four bedroom suites in the main house, a detached one-bedroom guest casita and eight baths. The home's indoor-outdoor design incorporates the desert landscape with bamboo and pine trees integrated into the main living spaces and floor-to-ceiling glass walls in nearly every room, Sher said. They offer unobstructed panoramic views of the Bear's Best golf course, city lights and surrounding mountains.

The property's James Turrell Skyspace is an art installation that plays on space and light and is one of just a few residential installations from the artist in the world, Sher said.

"Skyspace is an immersive art and sensory experience," Sher said. "It captures the natural light of the rising and setting sun, combines that with a sophisticated pattern of lights inside the structure and creates the illusion through its lighting that you are floating through space. It's a truly transformative experience."

The estate includes an elevator, subterranean half basketball court, fitness room, office, in-home movie theater and wine cellar. The master suite features a centered oversized tub. The suite's outdoor amenities include a private terrace with a Zen garden, Jacuzzi and cold plunge, Sher said.

The home has a Scavolini luxury Italian kitchen surrounded by floor-to-ceiling windows. A detached formal dining room appears as if it is suspended over the edge of the property and features three completely glass-enclosed walls, Sher said.

The courtyard has a resort-style patio, outdoor kitchen, advanced surround-sound audio system and pool that overlooks the golf course.

The five-car garage is climate-controlled and hidden from view. It's surrounded by native desert landscaping designed by Sage Design Studios and the Las Vegas Springs Preserve. Walking paths throughout the property lead to the casita, dining room, art installation and gardens, Sher said.

"Nothing can compare to the unique experience this home offers," Sher said. "The architecture is unlike anything else in Las Vegas. It truly is a desert sanctuary."

Sher said Murren decided to list the home this summer after taking it off during the pandemic.

"He was conflicted," Sher said. "He loves the house and raised his family in it, and now that's kids have left it's easier for him to sell it."

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