

## Home slump in LV persists

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Home Builders Research reported another dismal month for housing in Las Vegas, with new and existing home sales falling by double-digit percentages in April, home building analyst Dennis Smith said Wednesday.

He counted 1,568 recorded new home sales in April, a 40.7 percent decline from the same month a year ago. Existing home sales fell 36.6 percent to 2,353, the second-lowest monthly total in the past six years.

"This correction or slump or slide or dip or whatever you want to call it is deeper and longer than most expected," Smith said. "It will get better, but until sales and permits improve, it will continue to be very painful for a lot of folks and businesses."

There were 1,804 new home permits pulled in April, bringing the year-to-date total to 6,210, down 38.3 percent from a year ago.

Las Vegas' housing market has softened after leading the nation in home appreciation and sales, which led to a frenzy of speculative investment that has left about 40 percent of the 22,000 homes on the Multiple Listing Service vacant, Smith said.

New home inventory is low as builders have cut back on building permits, Pardee Homes Division President Klif Andrews said.

"As the new home inventory drops, we think the resale inventory will drop. When they drop, this market will firm up," he said. "We all agree we have limited land supply and we continue to have strong economic growth in Las Vegas, regardless of residential construction. The key for us is residential listings must drop before this market improves. Part of that is owners are not pricing their houses properly and that's why they're not selling."

The median price of a new home in April dropped 3.1 percent to \$318,346, Home Builders Research reported. There were 214 high-rise condo units that closed escrow in April, all but one of them at Sky Las Vegas on the Strip. The average price was \$729,009 and the median was \$687,181.

The median resale price was \$285,000, the same as March and up from \$283,500 a year ago.

Robin Camacho of Direct Access Lending said she can see that the median price isn't accurately reflecting house values right now, but she can really only make an educated guess as to why.

"Our research does show that the number of homes listed on the MLS for less than \$270,000 has increased substantially in the past year," she said. "This indicates that prices are falling, though people are actually still paying the same but getting more for their money."

Camacho said she can spot when prices are rising or falling earlier than most analysts with her up-to-the-minute data, but she hesitates to give exact figures as she uses a different indicator.

"It is very accurate in terms of direction, sort of like a compass in that I can see the general direction we are traveling," she said. "And what I definitely see is that houses are dropping in value at a steeper decline than the median price indicates."

Luxury home sales (\$1 million or more) declined 18 percent in the first quarter to 132, but April sales jumped to 53, two more than a year ago, said Ken Lowman, owner of Luxury Homes of Las Vegas. The average price rose to \$1.79 million, compared with \$1.26 million in April 2006.

Lowman said more homes are selling in the "ultrahigh end of the market," including eight in April above the \$3 million mark.

"I foresee this trend to continue as higher lot and construction prices have led to more homes being constructed and sold over \$3 million than ever before in our history," Lowman said. "We also have a steady stream of qualified buyers in this price range relocating to Las Vegas."

Smith of Home Builders Research high-rise sales can skew the median prices because they usually come in groups. Before Sky, the median was skewed by all of the closings at the Manhattan mid-rise condos, he said.

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