

Las Vegas Sun

In Business LAS VEGAS

Real Estate column:

Economic diversification to be looked at from all sides

By [Buck Wargo](#) ([contact](#))

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With Las Vegas' economy among the worst in the world and studies urging more be done to help future growth, the state's political leaders are holding a conference before the Nevada Legislature convenes to discuss diversifying the economy.

The [Jan. 7 conference will be at UNLV](#) and is hosted by Lt. Gov. Brian Krolicki, a Republican, and Senate Majority Leader Steven Horsford and Assembly Speaker John Ocegüera, both Democrats.

The conference, "Nevada 2.0: New Economics for a Sustainable Future," will bring together business and education leaders to identify industries that will stimulate growth. The goal is to take short- and long-term steps to promote economic diversification and start a bigger conversation to help the state outline strategic investments and policy changes, said Robert Lang, director of Brookings Mountain West, and one of the event's organizers.

The conference will feature panelists who are leaders in energy, gaming and business. It will look at diversification attempts in other cities, such as Salt Lake City, Phoenix, Dallas and Denver, he said.

"We want to compare ourselves to other regions to explore new strategies to flush out opportunities for economic diversification," Lang said. "This is the start of the process."

The issue has long been discussed by the state's political and business leaders, but has gone nowhere. Many are hoping the economic collapse in Nevada caused by the Great Recession will make that a priority

The unemployment rate has exceeded 14 percent, the housing market has tumbled and commercial development is at a standstill.

In November, the Brookings Institution and London School of Economics released a report saying that Las Vegas' economic performance ranked fifth-worst among 150 metropolitan areas around the world, and prospects for a rapid recovery are dim with its dependence on domestic tourism and construction.

In December, the Lied Institute for Real Estate Studies published a white paper that said what Nevada needs to be successful at diversification is to place greater priority on public schools, colleges and universities.

Lang said the timing for the conference is important because any plan to diversify the economy needs the help of the Nevada Legislature. That includes regulatory changes and incentives and development of a business plan for strategic investments in the state, he said.

The latest report on the Las Vegas economy shows the need for diversification.

In its Mountain Monitor that measures the region's economic performance, Brookings said Las Vegas ranked second to last among the nation's 100 largest metropolitan areas through the third quarter. The index measures changes in employment, unemployment, gross metro product and house prices from before the recession to the present. Only gross metro product, up by 0.1 percent, increased, the report said.

Economic data from the third quarter show Las Vegas is losing ground, but at a slackening pace on almost every indicator, the report said.

"The fact that other metros with different economic bases and stronger, more resilient economic engines have been able to pull themselves out of recession and into recovery underscores the need for a fundamental reflection on the nature and prospects of Southern Nevada's current economic base," the report said. "Again, reaching, let alone surpassing its pre-recession size will require Las Vegas' economy to first end its slide and second post exceptional growth rates in the years ahead. But where will the growth come from? This growth can likely only be powered by a substantially retooled economic engine, one fueled much more than the last economy ever was, by human capital, innovation and exports."

The conference is from 8 a.m. until 4:30 p.m. at the UNLV Student Union Ballroom. Seating is limited and preregistration is required. For more information, go to nv20.unlv.edu.

In other news

- Las Vegas and six cities of 13 surveyed by consultant Rider Levett Bucknall showed a reduction in construction costs. In Las Vegas, the decline was 0.25 percent, which continues a negative trend in 2010, said Martin Grace, resident manger in Las Vegas. The firm expects the lack of available projects will keep prices favorable, but there will be some inflation because labor and material costs will increase slowly. Prices declined 0.14 percent in the third quarter, 0.28 percent in the second quarter and 0.50 percent in the first quarter. The index was flat in the fourth quarter of 2009. By contrast, costs fell 0.16 percent in Phoenix in the fourth quarter after increasing 0.24 percent in the third quarter.
- Strategic Storage Trust has acquired a downtown Las Vegas property totaling 540 units for \$6.8 million. It will be the company's fourth self-storage purchase in Las Vegas. The property at 1120 Las Vegas Boulevard South will be rebranded under the SmartShop name. The property includes 81,600 rental square feet in its two three-story buildings built in 1996.
- Prudential Americana has named John Joseph as its first vice president of sales. Joseph will continue to serve as broker manager of the Green Valley office.
- The Lied Institute for Real Estate Studies at UNLV will hold a forum from 7:30 a.m. until 9:30 a.m. Jan. 11 titled "Ending the Foreclosure Crisis in Nevada." The forum in the Stan Fulton Building, Room 130, is a discussion on foreclosure effects on neighborhoods. The speakers include former Assembly Speaker Barbara Buckley, Lied Director Nasser Daneshvary, Realtor Fafie Moore and representatives from Wells Fargo and Bank of America.

- The Las Vegas office of CB Richard Ellis has donated 1,200 employee hours to charitable causes in Southern Nevada in 2010. It raised \$8,000 for United Way of Southern Nevada, donated 60 holiday gifts to St. Jude's Ranch in Boulder City and more than 25 employees and family members volunteered at Opportunity Village's Magical Forest.

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