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## Hard-money lender believes slump in LV real estate coming to an end

By JOHN G. EDWARDS  
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Hard-money lender Mike Shustek on Friday said he has no fears about hard times in Las Vegas and that members of the CEO-CFO Group shouldn't either.

Shustek, chairman and chief executive of hard-money lender Vestin Group, recalled being homeless a short time when the Resolution Trust Corp. foreclosed on his home following the savings and loan industry debacle of the 1980s.

He bought the house back from the RTC and was pleasantly surprised when they paid him a commission on the sale.

Soon he had bought and flipped 44 houses from the RTC and made his first million dollars, Shustek said.

While prices of Southern Nevada real estate have collapsed, Shustek said he is getting inquiries from investors around the country who want to buy foreclosed properties.

"Right now, we get calls from all over the United States. What are you foreclosing? What can we buy?" Shustek told about 50 senior executives during lunch at McCormick & Schmick's Seafood Restaurant.

"I see opportunities because there are people not as smart as you selling these properties for pennies on the dollar," he said.

The Southern Nevada real estate slump is short-term, Shustek said.

"I don't see it going down much further," he said.

He mentioned foreclosed homes that were originally priced at \$260,000 to \$290,000 that are being sold for \$140,000. "You cannot build it for less than that," he said.

The real estate lender said that starter homes and low-priced residential properties probably already have hit bottom, but he saw more price declines coming for multimillion-dollar homes.

Real estate will be good investments for the long-term, he said, because the \$700 billion government bailout will eventually lead to inflation which will be reflected in realty prices.

Vestin has enabled five individuals to build net worths of more than \$100 million by lending money

to them, he said.

Vestin will consider refinancing developments that banks, including those taken over by regulators, will not, Shustek said.

He manages two real estate investment trusts. Vestin Realty Mortgage II has \$316 million in assets and reported a net loss of \$28.6 million in the second quarter. Vestin Realty Mortgage I has \$52.7 million in the second quarter and report a \$4.8 million second-quarter loss.

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