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## Vegas-Area Land Sales Continue to Decline

By [Brian K. Miller](#)

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LAS VEGAS-The number of properties trading hands here slowed during the third quarter and pricing declined from mid-year, according to Applied Analysis. The locally based business advisory attributed the results to a slowdown in the residential market, concerns regarding pricing and overall interest rates.

The report found that 484 acres of vacant property sold during the third quarter of 2007, which is a 45% decline from the 881 acres sold in the third quarter of 2006. Excluding premium-price resort property transactions, sales averaged \$677,300 per acre in the third quarter, which is 5.7% below the second quarter but 1.5% higher than the third quarter of 2006.

The third quarter results mark the fifth consecutive quarter with less than 1,000 acres changing hands. The trend follows 19 straight quarters of at least 1,000 acres changing hands. In 2004, some 13,000 acres changed hands.

Applied Analysis principal Jeremy Aguero says that while market average land prices in Las Vegas will continue to moderate from quarter-to-quarter based on the mix and size of parcels transacted, there is one trend that has prevailed since the pricing run-ups in 2004 and 2005-- sales volumes, or the amount of property changing hands, has declined steadily for the past two years.

"The number of transactions has been impacted by the demand for improved uses, supply

constraints and prohibitive pricing levels," he says. "We may see land owners without a reasonable exit strategy face challenges during the next several quarters, particularly those that entered the market late in the game."

In the resort sector, 73 acres changed hands during the quarter. Much of that was a four-parcel, 59-acre sale at the northeast corner of Harmon Avenue and Koval Lane for \$10.6 million per acre, or \$625 million. Africa-Israel Investments acquired the property, which includes the former W Las Vegas, Las Ramblas and DR Horton land holdings. An email to Africa-Israel CEO Erez Meltzer did not immediately respond to an email seeking comment on the company's plans for the site.

"Land in Las Vegas remains a highly valuable commodity, which is clearly evident in the coveted resort corridor," says Agüero's partner Brian Gordon. "Additionally, the valley's de facto growth boundary places market expansion limitations on the market as a whole. Despite a long-term limitation, shifts within the present housing market continue to place downward pressure on demand for raw residential land. We expect this trend to continue through the third quarter of 2008 as housing inventory levels will likely remain elevated and pricing remains unstable."