

Debt Thick, Goodbye Nic

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Bear with us while we try out a few puns based on Nicolas Cage movies.

Looks like Nicolas Cage might be "leaving Las Vegas" for good! Har!

Or: Nicolas Cage's "honeymoon in Vegas" is over! Get it?!

Actually, Cage almost certainly isn't laughing at the latest turn of events involving his real estate holdings, besieged and beset as they are by federal income-tax liens and bank takeovers.

A buyer plans to close a deal this week to purchase the 14,306-square-foot Spanish Hills home that Nevada State Bank foreclosed on in December for \$4.89 million. The 7-year-old property, which Realtor Ken Lowman listed on Thursday, spent less than a day on the market before an out-of-state businessman snagged it for close to its \$4.95 million asking price.

Lowman said he didn't know how much Cage owed on the home.

He also wouldn't identify the new owner, but he said the buyer plans to hang onto the home for three to five years to "watch the economy and the market come back." The buyer will pay cash for the unfurnished home in an agreement that's expected to close Wednesday.

In some ways, Cage is like so many other Las Vegans who bought homes with outsized loans at the market's apex. He bought the Spanish Hills property in September 2006 for \$8.5 million.

Where the Oscar winner's story differs from most others is in the magnitude of his financial collapse. Cage, whom Forbes ranked as the country's fifth-highest paid actor in 2009 with earnings of \$40 million, had amassed an estate that included 15 homes, four yachts, a Gulfstream jet and millions in jewelry and art, according to celebrity-gossip Web site TMZ.com.

Cage's Spanish Hills home looked to be part of a plan to buy houses across the country and "profit from them," Lowman said. "All of a sudden, that plan doesn't look like it's going to work out."

That's for sure.

Today, Cage owes the Internal Revenue Service roughly \$13 million in back income taxes. He's sold or listed for sale properties in Germany and California. Two homes he owned in New Orleans went up for auction in November to help cover \$5.5 million in unpaid home loans, and he's listed a \$12 million Rhode Island property on which he owes \$128,000 in back taxes.

Nor was Cage current on his local property taxes. Lowman said the actor owes Clark County more than \$61,000 in levies from fiscal 2008 and 2009. The revenue should be paid when the sale closes.

Cage sued his former business manager, Samuel Levin, in October for \$20 million, saying Levin gave him bad financial advice. Levin has countersued, faulting Cage's high-flying lifestyle for his budget problems.

So why was Cage's house "gone in 60 seconds?" (Sorry.)

For starters, it was priced right, at roughly half the price it went for three years ago, Lowman said.

It also has distinctive features, including a "full-on" view of the Strip, a 16-car underground garage, an elevator and a theater, Lowman said. The house has six bedrooms and 7 1/2 baths.

The kind of price break offered on Cage's home is helping spur sales in the broader luxury-home market, Lowman said. Roughly a third of high-end homes sold today are foreclosures. That's well below the 70 percent foreclosure-sale rate among average-priced homes, but it still means abundant bargains for wealthy buyers seeking deals. Plus, the stock market has bounced back from its March 2009 lows, and when their investments recover, affluent consumers feel better about buying expensive properties. That's why Lowman believes sale prices on luxury homes aren't likely to fall much more.

Prices "are probably very close to the bottom," he said.

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