

Going, going, gone: Sold for \$1,000 square foot

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A custom home in the exclusive Promontory at The Ridges subdivision of Summerlin sold for nearly \$7.9 million, believed to set a record at more than \$1,000 a square foot, broker Ken Lowman of Luxury Homes of Las Vegas said.

A Washington couple, the Rosa Family Trust, purchased the 7,519-square-foot home in an all-cash transaction at 96 percent of its listed \$8.2 million price, Lowman said. They closed escrow Friday.

Strip club owner Michael Galardi's Queensridge home sold for \$14 million in February 2006, but it was 17,500 square feet of livable space with a 4,800-square-foot basement and 3,400-square-foot garage, housing analyst Larry Murphy of SalesTraq noted. The sales price equated to \$800 a square foot.

Steve Wynn sold his Shadow Creek compound for \$15 million. It had a 10,000-square-foot main house and several guest and servant houses, Murphy said. The guest and servant houses would have kept the purchase price below \$1,000 a square foot.

High-rise condos at Park Towers and Trump Towers have topped \$1,000 a foot, but it's never been reached in the single-family detached housing segment, he confirmed.

"That's an impressive number," said Kevin Orrock, top division executive for Howard Hughes Corp., developer of the master-planned Summerlin community. "I'm not surprised because of the type of neighborhood that it is. It's probably the most amenitized village in Summerlin. The location ... you've got Red Rock Conservation Area to the west. That will never be developed. That's a huge amenity in itself. This is rarified air."

Promontory is double-gated from both the north and south and some of the homes within the neighborhood are gated. It sits above Bear's Best golf course and offers sweeping views of the Strip and Las Vegas Valley.

Prominent residents at Promontory include developer Randy Black, who's building a home around the corner from the one that sold, and gaming executive Troy Herbst.

While the overall Las Vegas housing market is in the tank, the luxury home segment is holding up well, especially "ultraluxury" homes above \$3 million, Lowman said. He closed 17 sales each above \$3 million in the last four months, he said.

"That buyer is still bullish on Las Vegas for every reason under the sun," Lowman said. "Job growth, population growth, tax advantages, quality of life, quality of entertainment."

These are people who may own a \$20 million home in San Francisco or a beach home in Los Angeles, Lowman said. Ten years ago, the ultraluxury buyer came to Las Vegas and couldn't find a home that met their expectations, he said.

Despite the recent cooling of the real estate market, luxury home owners remain positive about the market, a recent survey from Coldwell Banker showed.

Coldwell Banker polled more than 300 U.S. home owners whose primary residence is valued at more than \$1

million (\$2 million for California) and found that 56 percent of respondents expect the value of their home to increase at least somewhat in the next 12 months. Ten percent expect it to increase significantly.

Thinking long term, 36 percent believe the value of their residence will increase significantly over the next five years and 58 percent said it will increase somewhat.

"These responses tell us that the affluent truly understand the value in owning real estate," Jim Gillespie, president and chief executive officer of Coldwell Banker Real Estate, said in a statement.

Lowman said midlevel luxury home prices are dropping more than the upper end.

"That could be just a tract home, maybe semicustom, so I am seeing a lot of inventory just over the million-dollar mark," he said. "When you get to \$2 million and \$3 million, the homes become more unique, one of a kind."

Murphy of SalesTraQ cautioned that the \$1,000-a-square-foot Promontory home is one of 650,000 homes in Las Vegas and one of 10,000 luxury homes. One sale of one house doesn't define the market, he said.

Including high rises, there were 578 homes that closed escrow in the first half of this year, an 8 percent increase from 534 sales in the same period a year ago, Murphy said. Of this year's sales, 222 were new homes and 356 are existing homes.

Lowman said the Promontory home, sold by casino landscaper Charlie Norton, probably sits on one of the best lots in The Ridges, two-thirds of an acre with 2 1/2 acres of open space behind it.

Fully furnished with custom furniture and artwork, the home has a double copper roof, over \$1 million of stone on the inside, floor-to-ceiling glass to showcase the 270-degree views, exterior stone driveway at \$30 a square foot and a Creston home automation system that can easily cost \$250,000, Lowman said.

"This truly was one of the most spectacular homes that Las Vegas had to offer, inside and out," he said. "A tremendous amount of thought and quality were built into every square foot of this home."

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