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LIVING SKY HIGH

Developer hopes to fulfill residents' lust for lofty living with Metropolis

BY [HUBBLE SMITH](#)
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The Calvin Group's Brenda Calvin shows a 2,600-square-foot loft at Metropolis. The 21-story high-rise, built by developer Randall Davis, got its certificate of occupancy in mid-December. The first eight to 10 residents have moved in or are having interiors finished. Photos by [John Gurzinski](#).

True to his word, Houston developer Randall Davis built the Metropolis high-rise condos and lofts behind the former Debbie Reynolds Hotel on Desert Inn Road.

More importantly, he sold all 71 units at their original contract prices. Davis acknowledges he didn't lose money on Metropolis, but he bit the bullet on his investment return.

When steel and concrete prices jumped 35 percent and the general contractor had to revise construction estimates, Davis could have backed out of the project and refunded deposits. The Related Cos. took that route with Icon.

He could have gone back to buyers like Vegas Grand developer Del American, canceled their contracts and resold the units at higher prices, even if it meant being slapped with a class action lawsuit.

"I think the difference is I agreed to sell units at a certain price. A lot of people paid only \$265 a



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Metropolis offers a view across Desert Inn Road to the golf course behind Wynn Las Vegas and the rest of the Strip.

square foot for their units. They got a bargain," Davis said. "I didn't go back and say, 'I need more money from you. Construction costs are not what we thought.' Doing something the right way is important and when you tell the buyer you're going to do something, you do it."

The 21-story, art-deco building, originally scheduled for completion in November 2004, received its certificate of occupancy in mid-December. The first eight to 10 residents have either moved in or are having interiors finished with painting, decorations and furnishings.

One 19-foot loft is being wired with an \$80,000 audio and visual system that includes wide-screen plasma televisions in the living room and master bedroom, an integrated stereo system with speakers in the ceiling, and a bathroom television, behind a mirror, that you can only see when it's turned on.

Metropolis' biggest selling point may be the view across Desert Inn Road to the golf course behind Wynn Las Vegas and the rest of the Strip.

Fifteenth-floor resident Nortá Castro took full advantage of the vista on New Year's Eve.

"We saw the fireworks at all 12 hotels, from the MGM to the Stratosphere," Castro said. "It was unbelievable."

Castro, a senior vice president with Wachovia Securities, transferred to Las Vegas from Los Angeles four months ago and was renting a place near the Hard Rock Hotel while waiting for her \$1.4 million unit at Metropolis to be complete. She was among the first people to move into Metropolis on Dec. 17.

Castro bought one of the last two remaining units at Metropolis last February, so she paid top dollar for her 2,865-square-foot unit.

When Davis announced the \$40 million project three years ago, prices started in the \$400,000s for the smallest unit, about 1,000 square feet. Now that construction is substantially complete, there are 27 units for

sale, the lowest in the \$700,000s, said Brenda Calvin, a broker for the Calvin Group who came from Houston to sell the project for Davis. She owns an eighth-floor unit.

"We've got a variety of buyers. It's not like one category. It's across the board," Calvin said.

Bruce Hiatt, owner and broker of Luxury Realty Group in Las Vegas, is renting a three-bedroom, 14th-floor unit at Metropolis from one of his clients who's buying the unit in a 1031 exchange. The IRS code allows the sale and purchase of like-kind investment property without paying capital gains tax.

To defer paying taxes with a 1031 exchange, a replacement property must be of equal or greater value, and the equity from the sold investment property must be reinvested in the new investment property.

"At Metropolis, you've got day views as spectacular as night views. I don't know many towers that can say that," Hiatt said. "Looking out at Steve Wynn's golf course is like looking over Central Park (in New York)."

Hiatt said he considered buying at Metropolis when the project was first announced, but he was relatively new to Las Vegas and wasn't convinced about the high-rise market here. So he bought at Red Rock Country Club in Summerlin.

"I was spoiled in Toronto and New York. I lived in high-rises and you got to see parks and lakes and here it was rooftops and casinos. I wasn't ready to adjust to that," he said.

"Now the skyline has radically changed. At the time, it was the Desert Inn. How would you know?"

Castro, the Los Angeles transplant, said she likes being close to her office at Hughes Center, having spent two hours round trip each day commuting to work in Southern California.

"It is amazing in L.A. how much of your life is consumed by the commute," she said. "Here, you can do five things a day. In L.A., you have one day for the (hair) salon, one day to go pick up dry cleaning, one day to go to the doctor."

Hiatt, who has bought a unit at Sky Las Vegas, another high-rise condo

under construction on the north Strip, said it's interesting that units at Metropolis that originally sold for less than \$300 a square foot are now reselling for \$500 to \$600 a square foot, some higher.

"What happens is that causes a different type of person that comes into the building. When you break \$1 million a unit, then the expectation is radically different," he said. "The talk (among owners) is they want surveillance cameras and 24-hour security and concierge service. This building was never designed to be a Turnberry (Place), but I think the homeowners will push it in that direction."

Metropolis followed Turnberry Place on Paradise Road and Park Towers in Hughes Center, sparking an explosion of high-rise condo announcements that would add some 50,000 to 70,00 units to the market. Some real estate experts predict anywhere from 25 percent to half of them will get built.

Davis took a chance in buying the shuttered Royal Aloha time share on less than an acre, but he knew from the success of Turnberry and Park Towers that Las Vegas was a maturing high-rise market.

"The best thing I could have done is build the building and not sell one unit until I got it done and then I could sell at \$500 a square foot," Davis said. "There's a disconnect between what the contractors want for construction and what you can get (in sales). People are telling you one thing and then charging another. They say they can do it for X and then it changes to Y when you sign on the dotted line."

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