

## GEORGE MALOOF CRACKS A STONE-CRAB CLAW, SURVEYING HIS EMPIRE

at the N9ne Steakhouse inside the Palms Casino and laying out his vision for the new Las Vegas. For Maloof—whose hotel was made famous by one naughty season of MTV's *Real World*—that vision will soon rise from a dirt lot behind his building: a 49-story blue glass tower with 599 condo units and prices approaching \$1,000 a square foot. The building, which won't even be livable until late 2007, is almost sold out. One Forbes billionaire (whom Maloof won't name) has already bought up two of the penthouses and is having them tricked out with a bar made of crystal, a secret chamber, and a glass-walled pool. Even his lower-rent neighbors (Nick and Jessica; all-star pitcher Roger Clemens, to name a few) will have fireplaces and cabanas they can rent daily by the pool. And it'll all be attached to the casino's ceaseless bustle via an air-conditioned "skytube."

"You know, I've been single my whole life, so I know how it works," says Maloof, 40. "Sometimes people go out and try to meet each other, start giving each other the eye, and at some point, you need to go someplace. What's the best gimmick in the world but to say, 'You know what? Why don't you come hang out at my place? It's got a bar.'" Straight to the skytube, baby.

Developers like Maloof are betting billions of dollars on the "What happens in Vegas, stays in Vegas" crowd, wagering that these playboys and -girls will want more than just a hotel room for their weekend antics. Some of the nation's biggest players in real estate—from Donald Trump to the Related Companies (responsible for the \$1.8 billion Time Warner Center in Manhattan) to Miami's high-rise new-money moguls—are creating a revolution in Vegas housing. Over the next several months, a Vegas-bloating 100 new projects—totaling 33,800 new condo units—will be sprouting across the neon-soaked desert. The siren song of homeownership, smack in the middle of America's very own Sodom, is everywhere on the Strip these days. Billboards. Sales offices. Sharply dressed brokers. Each pitch promises a taller, hipper, more opulent project. One sign cries: YOUR OWN PIECE OF THE STRIP. "I have never seen anything like this market," says Bruce Hiatt, a local real-estate agent with fat new commission checks. Hiatt says there's been so much buzz that some of his buyers have seen their units double in value, and the work-site port-a-potty hasn't even been emptied yet. "I was saying, 'No way could this happen in Vegas.' But with the job growth and all the quality restaurants and entertainment coming in, it's just becoming the perfect formula."

Last year, Las Vegas was the hottest housing market in U.S. history. Home sales bounced 52 percent above the previous year. That's more than triple the sizzle of the radioactive markets of New York and San Francisco. The unemployment rate stands at just 3.9 percent—more than a full point lower than the national average—and last year, the city gained 45,000 jobs. But much of the city's growth has been clustered in townhouses. Developers are finding that formula a tougher sell. "If you want to buy a nice house out here, you're looking at a 45-minute commute," says Jeff Soffer, 37, principal developer at Miami-based Turnberry Associates, which has about \$3 billion of condo projects planned for Las Vegas. "Not everybody wants that kind of headache."

And as the town pimps its image as an adult playground, with a chorus line of bistros, clubs, and rock concerts, developers know what kind of guy is going to make them rich. "Our buyer profile is basically what you see at the Palms on a weekend," says Maloof. "I'm creating a scene, where somebody can be part of the action but he can have his own place—his own pool, his own spa, his own restaurants. Whatever you want, you'll have it."

The MGM Grand, the Hard Rock, and the Palms are all pouring casino cash into condos. Peter Morton, the litigious and leathery founder of the Hard Rock Hotel and Casino, is dropping \$1 billion to knock down a pile of decrepit apartments next to his land to build five towers, with a 24,000-square-foot spa designed by London architect Zaha Hadid. For the super-fabulous, there'll be 36 Malibu-style bungalows—up to \$5.6 million each—that creep their way up



a man-made hill overlooking acres of wending swimming pools. Future key holders include Drew Carey, Claudia Schiffer, Wilmer Valderrama from *That '70s Show*, and all three Dixie Chicks.

For those part-time playboys who find themselves on the L.A. shuttle every weekend, casinos like the MGM and the Hard Rock are dangling another lure: the "condo hotel." Furnished right down to the silverware, these units can be bought and then rented out when the owner's not around. In its three towers, the MGM Grand will act as middle-man broker—for a 50 percent cut of the rent.



For locals like Roelands, who are too young and liquid to waste their lives in the vanilla sprawl that has become the Vegas exurbs, the Strip condos are giant antennas for the energy that drew them to the town in the first place. About a third of the buyers, Turnberry estimates, will be full-timers. "This is the center of the universe," says Roelands, gazing out into the inky neon sky. "It's going to be a totally different experience living here."

Of course, not all of Vegas' 1.7 million permanent denizens want to walk out their front door into a pirate show. That's why Oscar Goodman, the city's mayor, is banking on one of the unlikeliest segments of the booming market: Vegas' neglected downtown. Goodman hopes high-rises can transform the city's ramshackle grid of pawn shops and wedding chapels into a place more suited to a burgeoning metropolis. "The average person who comes here for three days, he'll probably hit the pool, see a show, have a great meal, and go to the tables," says Goodman. "But we who live here, I think we're entitled to be taken to the new level of what I consider to be urbane sophistication."

On a recent Wednesday night, the man who will deliver on that wish is drinking a Budweiser longneck at Dino's, a dive next to the Olympic Garden topless cabaret. At 27, Sam Cherry, a developer with \$180 million in projects under construction, has a Manhattan-like vision for Vegas, stuffed with edgy lounges and condo lofts. His workers are already pouring floors on a nearby \$87 million project that he has grandly—if pretentiously—named Soho Lofts: wide-open floor plans, industrial high ceilings, buffed concrete floors.

"Loft is a buzzword around the country," says Cherry, in his Chicago Cubs cap and a red Puma jacket. "It's come to define everything young and cool."

To market his project to like-minded scenesters, Cherry took over part of a half-empty arena of fast-food chains, and created a 1,584-square-foot model loft. There are publicity photos of Beck and Bowie on one wall, black-and-white snapshots of Old Vegas showgirls and neon signs on the other. You can see how Cherry, who never finished high school and made his money buying up and developing empty land around Vegas, is trying to bottle two competing visions of Vegas. The Rat Pack cool of Sammy and Dino, and the grease-

**MOVING ON UP:** Opposite, top: Turnberry Towers' top-floor vistas fetch \$1.3 million. Middle: An aerial view of what downtown Vegas will look like when the condo dust settles. Bottom: Units at Turnberry Towers will have touch-screen concierge service. This page, top: The site of the Panorama Towers, future home of Leonardo DiCaprio. Bottom: By 2007, this dirt lot will support a 49-story blue glass tower called Sky Las Vegas.

That's a deal for David Bravo, 24, an L.A. real-estate agent who frequently rolls into Vegas to prowls the nightclubs and dine out. He just laid out \$500,000 on a 550-square-foot studio crash pad on the ninth floor of the new Residences at MGM Grand. His place has marble bathrooms and a 32-inch flat-screen TV that whirs up out of a cherry-walnut desk. "All you need to worry about is a couple bucks for the nightlife, some gambling, and that's it," he says. "Having a condo right there on the strip—with all the electricity, the glitter, and the glamour—that's why you come here," he says. "You're basically buying a suite."

**JEFF ROELANDS SWINGS HIS BMW M3 ONTO AN EMPTY PATCH OF NEVADA** desert the size of a football field. It looks like the kind of desolate place where Bugsy Siegel might have made midnight deposits of freshly whacked wise-guys. But Roelands is here to case the site of his future home: a \$650,000 two-bedroom condo in one of the two 45-story monoliths called Turnberry Towers. Construction hasn't begun, but Roelands already has neighbors: One tower is sold out, the second has a waiting list. A software-company CEO, Roelands is counting the days until 2007, when he gets to trade his current address—in a sleepy country club—for an upscale aerie in the midst of this nonstop party.

"It's beautiful out there," Roelands says of his gated subdivision, tucked away 10 miles to the west. "But the average age is like 50. I'm 28, man, so I can't really relate. Maybe we drive the same car, but that's about it."

stained self-awareness of a guy with two turntables and a microphone.

There is a risk, of course, that all this frenzy could reach a saturation point, because there's virtually no precedent to test the limits. Only two high-rise residences have been erected in Las Vegas over the past 30 years. Although the market's hot, banks generally won't even front developers the cash until they've presold a majority of their units. The projects are so costly that loans have to be "syndicated out" to various lenders to share the burden. And the cost of steel, as well as land, has spiked so much lately that latecomers to the game will have a tougher time offering competitive prices while earning the 10 to 20 percent profit typical of these deals. "It's important to keep in mind that not all these will be built, and some of this hubris will subside," says Dr. Keith Schwer, an economics professor at the University of Nevada Las Vegas, who specializes in local markets. But with 7,000 new residents a month, 38 million annual visitors, and a circling flock of international investors lured by the scent of a weak American dollar, some analysts aren't so sure it will.

"We don't measure the demand here in terms of Vegas," says Dennis Smith, president of Home Builders Research, a firm that tracks the local housing market. "We measure it in terms of the world." For now, that demand's adding up to triple cherries for sellers. One has to wonder how Sin City, a place not known for its irony, will cope with a new skyline that, for the first time in its 100-year history, will be funded by winners, not losers. ■