

Apartments in Las Vegas

Residing without Living

■ Like no other city in the world, Las Vegas attracts timeshare and second home owners. Attractive entertainment packages and short shopping paths should make the decision easy for potential buyers.

Harald Weiss

In 1999, when the first apartment skyscraper in Las Vegas offered residences for sale, US property managers didn't believe their eyes: Interested buyers stood out on the street under the scorching desert sun until they could write out their check for the down payment of \$10,000 to \$15,000. This had significant effects, which are still generally noticeable today. An impressive profile of skyscraper construction testifies to the billion dollar building boom in the former desert paradise. Contemporary architects, contractors and investors belong to such leading companies as Daniel Libeskind, Rafael Viñoly, The Rockwell Group, The Related Companies and Tishman Speyer. In addition, even enigmatic celebrities like Donald Trump and his ex-wife Ivana are among the investors.

The most (and most expensive) apartments are currently found in the area of CityCenter (see the adjacent article). More than 2,700 apartments are under construction, which are spread out over four buildings. The upper floors of The Residences at Mandarin Oriental, Las Vegas will be all owner-occupied apartments, the smallest of which measures about 90 square meters and costs 1.5 million dollars. There are cheaper ones in both the Veers Towers and Vdara Condo Hotel. Prices for a 50-square-meter studio start at \$500,000.

No City Has Established Itself So Quickly for So Long

In addition to the price difference, there are also differences in amenities, since the apartments, which are being built in conjunction with many new hotels, also offer hotel service. Everything is included from room and cleaning service to spa use. These apartments are intended not so much as permanent homes, but almost exclusively as freetime-oriented second residences. "Only the tiniest percentage of buyers will live here fulltime," said Alan Feldman, the spokesman for the CityCenter owner MGM MIRAGE. "Most of them are successful business people, lawyers or doctors in Los Angeles or San Francisco, who come here for the weekend, holidays or a couple of vacation days."

This relaxation in the new luxury metropolis can be lucrative for these people, since in Las Vegas they don't have to pay income tax, and according to US tax law, a person is liable for income tax in the place where he or she has lived more than 180 days annually. In any case, anyone who actually wants to establish his principle place of residence in Las Vegas will very quickly bump against the limits of the new easy living. Because none of the new construction projects contains what are normal features of urban life: There are no playgrounds, schools, kindergartens, gymnasiums, football and baseball stadiums, Olympic swimming pools or facilities for young people. And there is also a complete lack of other familiar facilities, such as are found in every other city. Neither the CityCenter nor any of the other mega-building sites contain an office complex or even an opera or concert hall.

The Hotel Business in Las Vegas

World's Biggest Construction Site

■ MGM MIRAGE is currently spending 7 billion dollars in Las Vegas building an artificial luxury oasis consisting of upscale hotels, condo hotels, etc. CityCenter is not the only large construction site by far. Just about all the big hotel chains are building.

Katharina Guderian

"We are creating here by 2009 the embodiment of a typically ideal modern city," said MGM MIRAGE spokesman Alan Feldman about the biggest related hotel and residential complex ever built in the USA. In the 27-hectare-large CityCenter between Monte Carlo and Bellagio, there is the 4,000-room CityCenter Resort & Casino hotel as well as two casino-free hotels with 400 rooms each. One of them is managed by Mandarin Oriental; the other is a Harmon, Spa & Residences. In addition there is the 50-floor Vdara Condo Hotel with mixed use for condo hotel configuration.

Architecturally speaking, the 60-floor CityCenter Resort & Casino with its postmodern glass-steel structure can hardly be differentiated from the world's many other glass palaces. After its completion, it will, after the MGM Grand Hotel, be the second biggest building in Las Vegas and for this reason must market itself to mainstream visitors. These are above all the new Las Vegas tourists, who have above-average incomes, stay for two to three days and spend a lot of time in the spa or on the tennis courts.

For Each Hotel A Different Target Group

The other two hotels in the CityCenter are smaller and permit better focus on specific target groups. The Residences at Mandarin Oriental, Las Vegas with its plain, Asian-looking interior design will obviously appeal to the same visitors who also are otherwise taken with this chain's tasteful world-class luxury. It is interesting



■ Las Vegas has the world's biggest construction site. In the new CityCenter, currently under construction more than 2,700 apartments and various hotels will be completed. CityCenter is just one of many construction sites. Photo: Harald Weiss

that the new Mandarin Oriental has similar proportions to its flagship in New York. Also in Las Vegas, over half the ground floor comes equipped with spa and banquet rooms. The hotel area is located in the floors under the lobby; the area above the lobby consists of owner-occupied apartments.

The Harmon, situated across from the Mandarin Oriental, wants to appeal above all to a younger, trendier target group, and for that reason it employs chic design. Here, however, it encounters competition from other providers and well-capitalized investors, who see in Generation X the biggest growth market for Las Vegas. Thus CityCenter is only one of many large building sites in the city. Jointly with Edge Resort, Starwood for

example is building a large 3,000-unit concrete hotel with boutiques, which will be a mixture of timeshares and a hotel. About 2 billion dollars will be invested here for the casino hotel plus theaters, restaurants, wellness area, and shopping. This large complex covering almost nine hectares should in any case be completed by 2009.

The Big Hotel Chains Are Upgrading

The Las Vegas marketing strategy additionally provides for a massive upgrade in the conference business, and there are also mega projects in the planning stage for this. In a 9.3-hectare-large site, the Echelon Group is constructing the

Expo Center Complex with mixed use as well as diverse business facilities. The whole complex is a direct gateway to the Expo Center.

Somewhat outside the city at Lake Las Vegas, Loews is planning a hotel with about 400 rooms, 3,700 square meters of business spaces and a 1,900-square-meter-large wellness area. It will be a part of the rural resort community at the lake, where the Ritz Carlton has already located. The lake hotels offer a balanced combination of eventful city vacation in Las Vegas and relaxing holidays in an idyllic resort. Furthermore, Hyatt has just announced that it is going to upgrade its local Regency into a full-scale luxury hotel and shutter the attached casino.



■ The Vdara Condo Hotel. Planned with 50 floors, the hotel is part of the mammoth CityCenter complex as well.

Tourism in Las Vegas: 39 million visitors in 2006

Visitors in 2006: 39 million
Goal by 2010: 43 million guests
Total 133,186 rooms
Average length of stay: 3.5 nights
Average price of rooms: \$103
Economic power of tourism from non-gambling visitors: \$7.6 billion
Percentage of visitors who attended one show: 71%
Percentage of international visitors: 12%
Percentage of first-time visitors: 18%

Visitors who come once a year: 27%
Visitors who come twice or three times a year: 27%
Visitors who come more than ten times a year: 15%
Visitors with an income over \$40,000: 70%
Average spending of visitors:
— Gambling: \$627
— Shopping: \$137
— Shows: \$50



■ Room in the Veers Towers.

Photos: zvg