

Brokers selling large land parcels

'If it's in a good location, it trades,' says one

By Hubble Smith, October 17, 2011

A 44-acre parcel of vacant land along a quarter-mile stretch of Silverado Ranch Boulevard has been sold for \$6.5 million in one of the few transactions not involving a bank or distressed property, a broker in the deal said.

The seller, Broadcast Associates Inc., bought the land in 1998 for \$3.2 million, and used it for communications purposes.

The land is zoned for general commercial at the corner of Silverado Ranch Boulevard and Bermuda Road, and for residential to the west.

Zoltan Hollo, a Las Vegas land broker, stands in front of a recently sold 44-acre parcel of land Oct. 10 near South Point. Land brokers in Las Vegas are beginning to see sales increase.

Commercial broker Zoltan Hollo of Insight Realty Associates represented the buyer, who asked to remain private. Hollo said common sense will dictate development. The land already has off-site improvements such as sidewalks, curbs and gutters in place. That can make a significant difference in the price of land, he said.

Las Vegas-based Applied Analysis reported an average price of \$235,071 an acre for vacant land in the second quarter, compared with \$154,665 a year ago. Hollo's sale was about \$147,000 an acre.

"I see the market like the skeleton of a watch where you see different parts moving, but not all of it is moving at the same time," Hollo said. "Like residential is moving slow, but large parcels that you can't find or replace, those are going to trade."

Hollo said he deals with a lot of institutional investors, high-net-worth private individuals and real estate investment trusts seeking buying opportunities in Las Vegas. He represents Bank of Nevada on office, industrial and land listings in Las Vegas.

"I have a ton of bank-owned property. Bank-owned land, if it's in a good location, it trades," he said.

Rick Hildreth of Land Advisors Organization recently negotiated the sale of 121 acres at the corner of Ann Road and Pecos Boulevard in North Las Vegas for \$11.5 million. The seller was Diamond Lamb LLC and the buyer was Capital XI LLC.

The land was in escrow for about \$100 million in 2007, Hildreth said. It's one of the larger parcels in the Las Vegas Valley not owned by the Bureau of Land Management, and has frontage on Interstate 15 just off the new Lamb Boulevard interchange. It's zoned for mixed-use.



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Zoltan Hollo, a Las Vegas land broker, stands in front of a recently sold 44-acre parcel of land Oct. 10 near South Point. Land brokers in Las Vegas are beginning to see sales increase.

Hildreth said he's closed a few big land deals this year with more in escrow. Most are bank-owned sales.

"There are not a lot of transactions because there is still a disconnect in values," Hildreth said. "Appraisals are still coming in higher than they should in some cases, but as transactions continue to increase, this should correct itself."

The land broker expects to complete \$40 million to \$50 million in transactions this year. Buyers are starting to feel comfortable that the market is close to the bottom, Hildreth said. Convenience store sites seem to be moving at higher prices than the rest of the market, he said.

"It's all about pricing," Hildreth said. "Attitudes and level of aggressiveness are hard to gauge on a daily basis because of the continual turmoil and uncertainty in Washington and the global markets."

INSPIRADA SETTLEMENT

KB Home, Beazer Homes and Toll Bros. settled in court with Las Vegas-based Focus South Group to get the \$1.2 billion Inspirada master-planned community in Henderson out of bankruptcy.

The homebuilders, along with Pardee Homes of Nevada, will pay \$35.5 million to Focus and its affiliates. The 1,940-acre Inspirada project was forced into bankruptcy court last year after the recession and feuding among the partners halted development.

ASSETS RECOVERY GROUP

Law firm Ballard Spahr has formed a commercial real estate recovery group that will focus on distressed assets and investment opportunities in the rapidly changing commercial real estate and finance markets.

Since 2008, Ballard Spahr attorneys have handled hundreds of distressed real estate loan workouts, restructurings and enforcement actions across the nation, including matters in such hard-hit markets as Nevada and Arizona.

The firm represents senior note holders in the default of the \$500 million Town Square retail and entertainment center on Las Vegas Boulevard.

David Barksdale will lead the real estate recovery group in Las Vegas and Los Angeles.

NO GROWTH INDUSTRY

Housing- and building-related businesses populate the list of industries with declining sales nearly four years after the onset of the recession in late 2007. Housing market and other data don't suggest a change anytime soon.

"While housing has led the U.S. out of previous recessions, the paradigm is not holding this time," said Melinda Crump, spokeswoman for SageWorks Inc., a Raleigh, N.C.-based financial analysis company.

Of 184 industries examined by SageWorks over the last 12 months, only 11 saw sales declines, while the rest continued to gain. Overall, manufacturing activity gained strength over the latter half of last year. The auto industry also gained ground, with parts manufacturers and auto dealers posting double-digit growth figures.

Building equipment contractors, building finishing contractors and homebuilders remain in the red, dragged down over the last years as housing has seen little recovery.

Newspapers, periodicals, books and directory publishers were also among the declining industries.

RENO CONDO ACQUISITION

Irvine, Calif.-based investment and development company Sycamore Urban Properties has acquired the Talus Point condominium property in Reno from U.S. Bank.

Talus Point, originally built in 1978 as a 153-unit apartment community, was converted to condominiums in 2006, selling only 28 units before entitlement and market conditions stalled the program. The remaining 125 units have since been operated on a lease basis.

The property was foreclosed upon by the original lender in 2009 and subsequently taken over by U.S. Bank in a structured transaction with the FDIC.

For the full story featuring Sageworks' private industry data, please visit [Las Vegas Business Press – Brokers selling large land parcels.](#)