

VEGAS PROPERTY REPORT

Trends in Southern Nevada Real Estate

BY ROB WISER PORTRAIT BY FRANCIS & FRANCIS

Luxe Opportunities in the New Market

Only a few short years ago, everyone was rushing into the Las Vegas real-estate market. A lot of investors were able to build wealth with a well-timed purchase and "flip," while local homeowners saw their properties skyrocket in value.

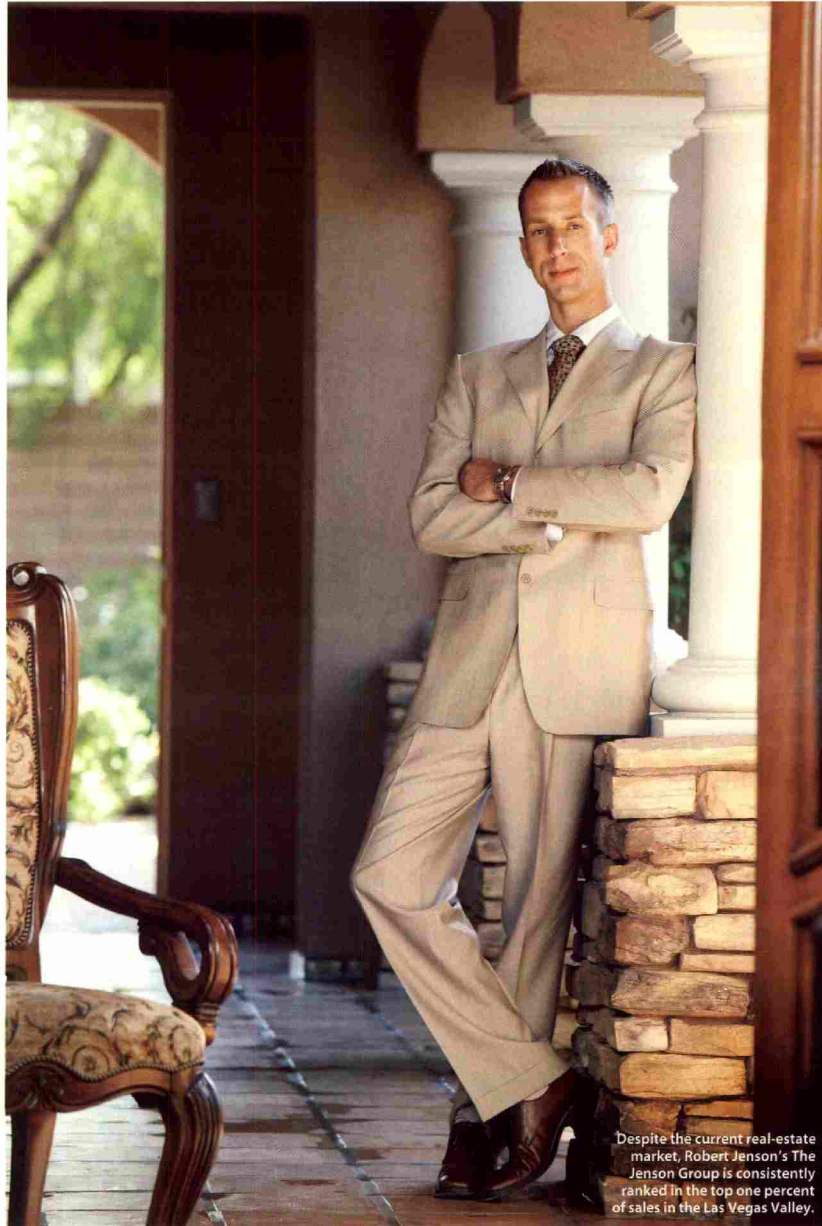
Nowadays, the market's downward trend has turned the wildly optimistic "gold rush" mentality of several years ago into a cautionary tale. Speculators who snapped up condos now find it impossible to unload their properties for a profit; high-profile high-rise projects have collapsed before ever breaking ground; and a lot of real-estate agents who obtained licenses to cash in during the boom have returned to their previous occupations.

Buyers are asking the right questions instead of diving headlong into purchases they can't afford, and developers need a lot more than a flashy website and slick brochures to presell their projects. Successful real-estate agents must possess credibility, experience and knowledge.

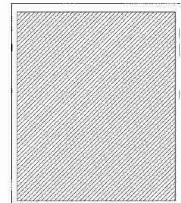
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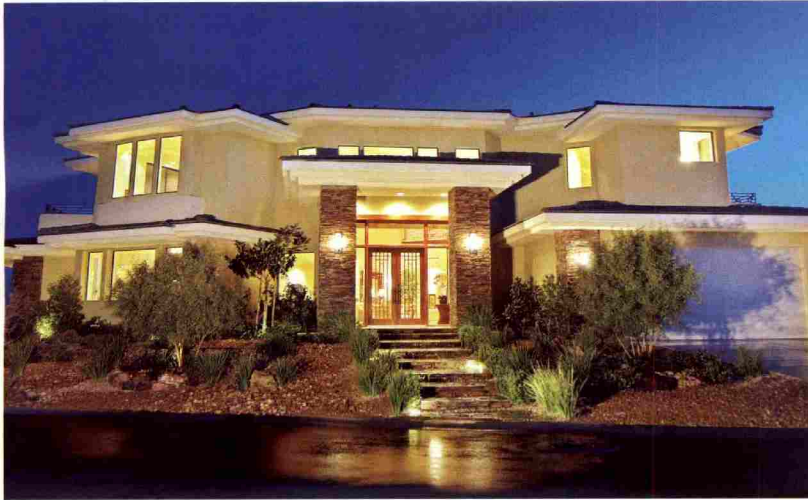
Standing at the forefront of this group is Robert Jenson. As the founder, owner and principal agent of The Jenson Group, the 30-year-old has established his company as one of Las Vegas' top luxury real-estate agencies. Consistently ranked in the top one percent of sales throughout the Las Vegas Valley, The Jenson Group handles the needs of its discriminating clients—whether they're looking to buy or build their dream home, invest in high-end property or sell their multimillion-dollar mansion for the best possible price.

Jenson is a recipient of RE/MAX's prestigious Hall of Fame award, and his industry expertise has made him a sought-after expert in the media; he has served as a guest commentator for numerous television outlets, including MSNBC and Bravo. Vegas magazine spoke with Jenson to learn how he manages to thrive in this challenging market, what buyers need to be aware of, and why the market offers some once-in-a-lifetime opportunities to purchase luxury properties in Las Vegas.



Despite the current real-estate market, Robert Jenson's The Jenson Group is consistently ranked in the top one percent of sales in the Las Vegas Valley.





Robert Jenson

FOUNDER, OWNER, PRINCIPAL AGENT,
 THE JENSON GROUP

Robert, give us a recap of your background, and how you became involved in high-end real estate.

I was born and raised in Eugene, Oregon, and went to Whittier College in Southern California. I was going to go into the medical field, but I was always into rock climbing, so instead I went to Europe [and did that] for a while. I've been in Las Vegas since 2000. I started out in the service industry, waiting tables, but I've always loved sales—the wheeling and dealing. A friend of mine brought me into the real-estate business and got me fired up about it. I got my license in 2003, and I've had The Jenson Group for the last three years.

Do you operate independently or are you part of a national network?

I'm actually a RE/MAX agent, but The Jenson Group has its own staff. We have assistants who handle closings, agents who work with buyers to find properties, and people who handle marketing and graphic design. I pay RE/MAX to hang my license there, and they give us business from their website. Any lead or interest that comes through that website is divvied up by RE/MAX agents, and they also have a referral network.

What have been your biggest or most memorable sales?

Some of the most exciting experiences were the homes I sold without putting them on the multiple-listing service. Once you put a property on MLS, it's available to about 15,000 agents, and most commonly another agent will bring the buyer. But there were



Jenson's properties in Summerlin's hot The Ridges community include the four-bedroom, five-bath Soaring Bird Court residence (top); Panorama Crest Avenue offers features including a fireplace and home theater (above) and resort-style infinity pool (right).



north of \$10 million?

Not yet, but we're close. I have a client who has her eye on two homes in Tournament Hills, at \$17 million each. Another one came on-line in The Ridges at \$18.5 million. I have a client from back East coming to take a look. I also have a couple of clients in the \$5 to \$10 million range who haven't pulled the trigger yet, but they're well qualified. It's coming.

What are some of the special features and amenities that today's wealthy home buyers are looking for?

The coolest things are the home automation systems. There are panels on the wall where you can control heating, cameras, air conditioning, lighting—you can push a button that says, 'Vacation,' and it shuts everything down but turns some lights on at night. Home theaters are also popular. One of my listings has a top-of-the-line home theater that cost \$160,000 just for the components. Also, vanishing (retractable) glass doors. In the ultra-luxury market, buyers are savvy. They want the best of the best. They're not looking to come in and remodel—they're traveling, or they're

“I have a client who has her eye on two homes in Tournament Hills, at \$17 million each.”

two deals in The Ridges where I brought my own buyers. One paid \$2.5 million, which was a record for the neighborhood, and then I sold another one for \$2.7 million, which was another record for price per square foot. It was a client I'd been working with for a year. Another very cool one was at Desert Shores, off of Buffalo and Lake Mead, where they have some waterfront homes. I sold two homes in the same week, one for \$1.5 million and another for \$1.7 million. Neither of them was on the MLS. I knew the sellers, I knew the buyers. It's a thrill when you can put those types of deals together.

Have you ever sold any of the supersized mansions around town—the sprawling properties that sell for

busy professionals with kids and soccer practice on the weekends. From the Venetian plaster to the doors, insulation, automation, security, everything is high-tech. Some people will cut corners as they redo a spec home that they want to flip for a profit. They put cheaper cabinets in the laundry room, or cheaper floors in one part of the house. It all has to be well done throughout the whole house.

A few years ago, it seemed like a lot of people from the service industries were getting licensed as real-estate agents. Now, many of those people have left the industry. What's your take on how the business has changed now that the gold-rush mentality is over? It's unfortunate that this shakeout comes at the

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Jenson's 8,000-square-foot Conquistador Street property has five bedrooms, eight baths, separate casita and 26-car garage, and is offered for \$3,995,000.

expense of some people losing their homes, but buying and selling real estate is the biggest transaction that 90 percent of the population is involved with. It's amazing how they will trust the sale of their home to an uneducated person or a friend or family member who knows nothing about it. It's good to see a high level of professionalism return to the business. Nowadays, people aren't just looking for a deal or an agent who is willing to cut their commission. They want an agent who can get the job done.

Did you foresee the softening of the market? Was the writing on the wall when prices started soaring a few years ago?

I didn't think it would happen as badly as it did. Pricing for homes over a million dollars hasn't been hit as hard. Sales are down by about half, as far as volume, and pricing has declined—but they haven't been hit like the homes selling for under a million, because generally they're not in foreclosure. In the \$400,000 to \$800,000 range, where there is an unlimited supply of foreclosures, that segment of the market has been hit hard. Basically, anyone who bought a house for under a million dollars in the last two and a half years is upside-down right now.

So if you had the money to buy a million-dollar home in 2005, you have the money to keep up with your payments. It was the lower- and mid-range buyers who overextended themselves and got into loans they couldn't afford?

Red Rock Country Club (which contains high-end homes) has maybe had two foreclosures out of 1,100 homes, which is pretty good considering most neighborhoods with 100 homes have probably had 10 foreclosures by now. Even back then (in 2004 and 2005), you generally needed a down payment for a million-dollar home. Those people weren't stretching themselves so much as the people who were buying a \$500,000 home with no money down and nothing in the bank.

The subprime-mortgage industry has taken a lot

of blame for the high foreclosure rates across the country. Was this the case in Las Vegas?

A lot of them were actually 'A paper' loans, meaning they had good credit and a 720 FICO score, and that's why they were able to get 100-percent financing. If they were a bartender or valet, and their stated income was a hundred grand a year and they had great credit, they would get the 100-percent financing. It wasn't that these were subprime loans. Those people were good borrowers at the time; they just couldn't remain good borrowers.

Builders and developers are trying to drum up sales by proclaiming that this is a buyer's market. Is this true?

It is a buyer's market, big time. The most frustrating thing these days is all the people still waiting around for the market to come down more. They're missing

"If your goal is to get a bigger home, now is an awesome time for that."



The custom home's gourmet kitchen.

out. A lot of bank-owned homes are definitely below market. For someone to sit around and wait for prices to come down even more doesn't make sense. I say go out and start looking today or you're going to miss out on some really good deals.

What about sellers? If you own a million-dollar-plus home, would it be wiser to wait until the market rebounds or put it on the market now?

If your goal is to get a bigger home, now is an awesome time for that. Do the math: Let's say prices have come down by 20 percent. Your home that was once worth a million bucks is now worth \$800,000. And the home you want to buy? It was \$2 million before, and now it's selling for \$1.6 million. So you'll get \$200,000 less for your house, but you're getting into a bigger and better house for a \$400,000 discount. When the market does turn around, which it will, you're going to see a greater rise in appreciation with that \$1.6 million home. It's a great time to make a move.

What are some of the areas of the Las Vegas Valley that smart buyers should be looking at?

The Ridges is the hottest neighborhood in Summerlin. Definitely keep your eye on it. As far as other up-and-coming neighborhoods, MacDonal-d Highlands in Henderson is hot, as well.

As your own success grows, are you developing the same luxurious tastes as your high-end clients? What are you driving these days, and is a megamansion in your future?

I have a Lexus for now. I have my eye on a Maserati; it's a pretty sharp car. I've driven the Ferraris and Lamborghinis, but you need to have enough money for that to be a second car.

The Lambo isn't the car you want to take to the store for a quart of milk.

[Laughs] Right. As for my house, I haven't bought the megamansion yet, but I definitely have my eyes peeled. Some pretty amazing homes are out there, and I'll want to jump into one eventually. ♠