

CityCenter condos fueled by Strip location, amenities

If early reservations are any indication, it won't take long for MGM Mirage's Project CityCenter to sell out.

More than 1,200 people have paid between USD 10,000 and USD 25,000 to reserve either a condominium or condo hotel room at the USD 7 billion project between the Bellagio and Monte Carlo resorts.

That number will continue to rise as CityCenter opened its sales center Tuesday with models of three of its four towers, giving the public a first chance to see what the residence and condo hotel will look like.

Although construction is under way, the project won't be completed until November 2009, giving MGM Mirage time to sell the 2,700 units in the pipeline. Not all of those 1,200-plus reservations will turn into sales, but the CityCenter is a hot destination.

The 76-acre site will feature a 60-story, 4,000-room hotel and casino, two 400-room, non-gaming hotels and a 500,000-square-foot retail and entertainment district.

„The trend for 2007 is going to be strong for Strip addresses,“ said Bruce Hiatt, the broker co-owner of Luxury Realty Group, especially for projects like CityCenter. „The combination with the restaurants is quite appealing to buyers who want one place to go for many services. You can literally park your car and do everything in one location. That appeals to those from New York, London or Tokyo.“

CityCenter has accepted reservations since mid-October and is preparing for an onslaught of interest as tourists come in greater numbers in the coming months, said Tony Dennis,

executive director of CityCenter's residential division.

„What we have done has taken the soft approach and rolling out calmly, and we hope to turn those 1,200 reservations into contracts. We are letting the customers come to us. We are not sure what will come through (from the reservations) but we are far ahead of pace. Our ambition is to sell it in 30 months, but if we can do it faster, that is great.“

CityCenter has been most aggressive when it comes to its Vdara Condo Hotel that will feature 1,543 units with prices starting at USD 500,000. It is paying real estate agents 3 percent commission payable within seven months of the sale on the first 500 units sold. CityCenter expects to pay USD 30 million in commissions over the next year.

CityCenter is paying agents 3 percent for The Residences of Mandarin Oriental and Veer Towers, with 75 percent payable upon the firm sale. The prices start at USD 500,000 for the two Veer Towers and USD 1.5 million for the Mandarin Oriental, which has a boutique hotel on its lower floors.

Reservations won't be taken until later this year on The Harmon Hotel and Residences; its prices are expected to start at USD 1.5 million.

Of the 1,200 reservations, they are about split in thirds between the Vdara, Mandarin Oriental and two Veer Towers, Dennis said.

There is a mix of buyers with interest in the condos for full-time, part-time and vacation homes, Dennis said. Others, especially for the condo hotel, view it as a long-term investment.

About 25 percent of the interest in condos is from locals, 30 to 35 percent is from the region, especially California. About 20 percent is from abroad and the remainder from the rest of the country, Dennis said.

Much of the interest in the condo hotel is from outside the region, Dennis said.

Buyers will be required to put down two 10 percent deposits over six months, Dennis said. The first contracts will be written later this month for the Mandarin Oriental, he said.

The opening of the sales center comes amid a slowdown in the nation's housing market. Dennis said the timing of CityCenter has worked well because the supply of condos has dissipated but the demand has remained strong. The cancellation of several other high-rise projects in Las Vegas enhanced its position.

The project is expected to appeal to a wide range of incomes and age groups.

The Mandarin Oriental is expected to cater to older and wealthier people who are seeking a residence that is part of a resort brand hotel with housekeeping, concierge and valet services.

The Veer Towers are expected to cater to younger people and couples with their lower price range starting at USD 500,000. It will feature a pool, spa, cabanas and patio for outdoor entertaining. The two 37-story glass towers lean in opposite directions, five degrees from center. That design has been an attraction to potential buyers.

The Vdara Condo Hotel gives owners the option to rent out their units on a nightly basis.