

Real Estate Millions

Sky high-rise units on Strip hit market



Nearly two years ago, San Diego-based Pathfinder Properties acquired 64 of the unsold units in the Sky Las Vegas. It remodeled those units and placed them on the market. (Char Luxury Real Estate)

By Buck Wargo Real Estate Millions

August 7, 2017

The Strip high-rise condominium market continues its rebound, and nothing epitomizes that more than what's happening at Sky Las Vegas.

Nearly two years after San Diego-based Pathfinder Properties acquired 64 of the unsold units in the 44-story tower that opened in 2007 at the north end of the Strip, it's reporting sales have picked up this summer.

Pathfinder has sold 20 units so far and has another under contract. One-quarter of those sales have occurred since early June, according to Matt Quinn, the company's vice president.

"We have hit our stride in terms of absorption in the last six months," Quinn said. "A lot of it has to do with the tailwinds that people are seeing in the opportunity on the north end of the Strip. It's awfully less expensive than the center of the Strip. People see the progress with Resorts World and SLS and Lucky Dragon, and there are rumors the Fontainebleau is finally getting wrapped, which would be a great thing. Hopefully, we see something there in the next year or so."

In September 2015, Pathfinder, an asset management group, acquired 64 unsold condominiums from the developer at the 409-unit Sky Las Vegas for \$18 million. Those units were leased as rentals while Pathfinder implemented a sales program, Quinn said.

"We took our time because we were looking for the market to improve, and we wanted to make sure we were launching with the right momentum," Quinn said.

Pathfinder hired Las Vegas-based Char Luxury Real Estate to handle the marketing and brokerage. Pathfinder then began taking models and putting \$40,000 to \$50,000 in renovations, Quinn said.

"The finishes are nice, but they are 2007 finishes. We wanted to differentiate our inventory from the resales at the tower," Quinn said. "There was carpet in the living area, and we took that out and put in high-end hardwood flooring. We painted, and we took out the granite and put in new counters, lighting fixtures and appliances when needed — basically, all the bells and whistles to make it look like a 2017 property and give it a fresh and modern feel."

Models were decorated with designer furniture to further enhance the look and increase the marketability of the units, Quinn said. It has been releasing a handful of units at a time since it started launching sales a year ago, he said.

"We didn't hit our stride until the spring of 2017 when we finalized our floor renovations program and got our new web site launched," Quinn said. "We launched a video rebranding our units, calling them the Signature Series."

The units are a mix of one-, two- and three-bedroom floor plans, ranging from 988 square feet to 1,788 square feet. There are units with a view of the Strip, mountains and a hybrid of the two.

“Our inventory is spread throughout the building and with different floor plans and different view corridors,” Quinn said. “It’s a nice mix and less expensive on the lower and creates buying options for people with different affordability.”

The units are selling today between \$300,000 and \$600,000. That means the units are selling around \$300 a square foot compared to the \$700 a square foot when they came on the market, Quinn said.

“We’re selling it for a value because to build it today is probably going to cost you \$400 a foot,” Quinn said. “You’re buying it below replacement costs. That’s where the market is, and if we’re going to sell them we have to meet the market. Buyers at Sky have the opportunity to ride the tailwind because eventually, things are going to sell for more than what it cost to build because the supply will go down as the north end of the Strip continues to get built up. It’s going to be a pretty compelling opportunity.”

Randy Char, owner of Char Luxury Real Estate, said the new owners are a mix of foreign buyers, locals who work on the Strip and Californians. Much of the foreign investment is from Asia, specifically China, from buyers want to own a part of Las Vegas Boulevard at affordable prices, he said. The local buyers want to buy from a lifestyle standpoint and have a place they can lock and leave instead of owning a home, he said.

“A lot of Southern Californians look at it as a vacation property and a chance to have a foothold in Las Vegas,” Char said. “They’re attracted to that because of professional sports coming into town and as a way to own part of the Strip at a very affordable price relative to where they are from.”

Quinn said some of the features offered in the newly renovated units include open floor plans, 9-foot, 5-inch ceilings in living areas with large balconies, floor-to-ceiling windows, learning thermostats and smarthome upgrades; gourmet kitchens with contemporary custom cabinetry, stainless-steel Bosch appliance package, Sub-Zero built-in refrigerator/freezer, quartzite stone countertops, European style faucets, modern lighting and mosaic glass tile backsplash; and bathrooms with European fixtures, large jetted tubs, granite counter tops and stand-up rain shower.

Sky Las Vegas has a pool and Jacuzzi, on-site concierge, valet parking, his-and-hers spa fitness center, racquetball court, billiards room, putting green, dry cleaning and laundry service, a private screening room, security guard-gated entrance with controlled access, business center with conference space and a gated dog-run area.



A Sky Las Vegas unit that is on the market features a modern design. (Char Luxury Real Estate)



The lobby of Sky Las Vegas high-rise on the Strip. (Char Luxury Real Estate)



Sky Las Vegas units have views of the Strip and the desert mountains. (Char Luxury Real Estate)



Sky Las Vegas offers amenities, such as this sports court. (Char Luxury Real Estate)



The living room at a Sky Las Vegas unit that is on the market. (Char Luxury Real Estate)



In September 2015, Pathfinder, an asset management group, acquired 64 unsold condominiums from the developer at the 409-unit Sky Las Vegas for \$18 million. It has upgraded the units it has placed on the market. (Char Luxury Real



Sky Las Vegas offers a game as one of its amenities. (Char Luxury Real Estate)



A bath in one of the Sky Las Vegas high-rise units. (Char Luxury Real Estate)