

Vegas Baby, It's Back

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The Economist's Free Exchange blog pulls a key piece of data from yesterday's Case Shiller housing report. In November 2009 (the latest data), Las Vegas real estate prices rose on the month-to-month seasonally-adjusted basis for the first time during this overall U.S. economic recovery. We've highlighted the data point in question below.

Metropolitan Area	November/October Change (%)		October/September Change (%)	
	NSA	SA	NSA	SA
Atlanta	-0.8%	0.2%	-1.0%	-0.4%
Boston	-0.5%	0.4%	-0.6%	-0.2%
Charlotte	-0.3%	0.3%	-0.7%	0.1%
Chicago	-1.1%	-0.8%	-1.0%	-1.0%
Cleveland	-0.2%	0.4%	-0.7%	-0.4%
Dallas	0.0%	0.6%	-0.6%	0.2%
Denver	-0.5%	0.3%	-0.4%	0.3%
Detroit	-0.7%	-0.2%	0.2%	1.4%
Las Vegas	-0.5%	0.1%	-0.1%	-0.3%
Los Angeles	0.8%	1.0%	0.3%	0.7%
Miami	0.0%	-0.2%	-0.4%	-0.5%
Minneapolis	-0.5%	0.3%	-0.5%	0.0%
New York	-1.0%	-0.9%	-0.2%	-0.3%
Phoenix	1.1%	1.6%	1.3%	1.1%
Portland	0.3%	0.9%	0.1%	0.4%
San Diego	0.4%	1.0%	0.4%	1.1%
San Francisco	0.6%	1.5%	1.2%	1.8%
Seattle	-0.5%	0.3%	0.2%	0.3%
Tampa	-0.4%	-0.5%	-1.6%	-1.1%
Washington	-0.5%	-0.2%	-0.3%	0.3%
Composite-10	-0.2%	0.2%	0.0%	0.1%
Composite-20	-0.2%	0.2%	-0.1%	0.3%

Source: Standard & Poor's and Fiserv

Free Exchange: If I had to guess, I would say that Las Vegas is beginning to benefit from recovery in California's housing markets. It was rapid price increases in California that initially drove the housing booms in Las Vegas and Phoenix. Home prices in the Golden State were surprisingly quick to recover after the bust; San Francisco prices have been rising for eight consecutive months and rose 1% in November, year-over-year. The combination of dirt cheap property in Las Vegas and growing property prices in California seems to have finally driven buyers back to America's playground.

Yes it appears like only a tiny blip so far, but they're not alone in their optimism. Carl Icahn recently bought an entire [distressed casino](#) there. At the very least prices may have stabilized.