



"I think there's definitely an advantage to being the first project in the community (to open) because of the high demand in place and because we will be the first to deliver this type of product along with Turnberry," Peterson said. The 255-suite, 17-story condo-hotel at 211 E. Flamingo Road, near Koval Lane, is expected to open in June. The property will be operated by Marcus Hotels.

"The idea of a condo-hotel gives people the opportunity to own a suite in a very desirable destination market, and Las Vegas is one of those markets. That's why it sold out as quickly as it did," said Bill Otto, Marcus Hotels President and Chief Executive.

Owning a piece of Las Vegas has been a big driver in the sale of units at the Residences at MGM Grand, a three-tower condominium-hotel complex on Koval behind the MGM Grand.

The first two towers, with 575 units each, are sold out. The third tower's 575 units are about 75 percent sold out, said Dan Riordan, director of sales. Remaining units are priced at \$600,000 to more than \$2 million.

Turnberry expects to begin finalizing the sale of units in April and May; the closing period typically can take up to 60 days or more.

"Everybody has been pleasantly surprised. Typically it takes two years to sell a building," Riordan said. "In two years we've sold almost three buildings."

The condo-hotel concept has been around for about 30 years, popular mainly in beach-resort locations. In the past five to six years, the concept has caught on around the country as a viable real estate alternative.

Low interest rates, a sagging stock market, overseas investors and baby boomers looking for second homes have all fueled condo-hotel development.

"The things that attract people to condominium-hotels is they are connected to hotels," Riordan said. "Residential ownership with hotel services and amenities, which varies from one hotel to the next, that's very appealing."

Buyers in the Residences at MGM Grand will be able to use the amenities from MGM Grand. Residents will be able to access MGM's features using an enclosed moving walkway that links each tower to the hotel and casino.

Peterson said the amenities, along with the location, are key to a successful condo-hotel project.

The Platinum will have indoor and outdoor pools, a fitness area, a 5,000-square-foot spa, restaurants and bars.

"You have to have a great site, a building that has an abundance of amenities and that is built and operated correctly," Peterson said.

Condo-hotel units are also appealing because they usually come fully furnished. Units at the Platinum and the Residences will be furnished.

One reason condo-hotels are gaining popularity across the country is the option to put the unit in a rental pool. Often the income generated is enough to cover expenses, and no one should plan to "get rich" off their unit, experts said.

"It's a chance to own along with the option to put it into a hotel rental program," said Otto, whose company manages more than 3,600 rooms nationwide.

Like most hotel-condo properties, residents are not required to put their unit into the hotel rental pool at either the Platinum or the Residences.

Renters come from the same place guests of other types of hotels do — from rental pools, referrals and travel programs. How much an owner receives from renting out the unit also varies between properties.

"Restrictions on how long someone can stay at a condo-hotel differ from property to property. Some have no restrictions while others limit how often it can be used by the owner during the year. Simply put, it's best to think of a condo-hotel as a hotel first," Peterson said.

Riordan said most buyers at the Residences are buying units to enter them into MGM Grand's rental pool, along with occasional use.

Peterson said the same goes for his property. "Most people buy in a place like this in Vegas because they want the rental income," he said.

