

# January 2021 Las Vegas Strip Gaming Revenue Analysis

---

## **Brent Pirosch**

Director of Gaming Consulting

CBRE

T: 702.369.4803

[brent.pirosch@cbre.com](mailto:brent.pirosch@cbre.com)

GGG has completed market studies and feasibility studies for casinos throughout the world. For additional research and information about our group's global gaming consulting capabilities, please visit our [website](#). As part of CBRE Hotels, we have a wealth of experience in hospitality and gaming consulting.

CBRE Valuation and Advisory (VAS) is available for all your gaming valuation needs, anywhere in the world, including appraisals, appraisal review, portfolio valuations, and highest and best use studies. GGG works closely with CBRE VAS to provide gaming market experience, knowledge and data unmatched by any other valuation firm. For more information, please see the CBRE VAS Hospitality and Gaming Group [website](#).

## **Baccarat**

We advocate analyzing January and February on a combined basis because calendar issues with New Years Day and Chinese New Year can significantly impact the numbers. For instance, Chinese New Year was in February this year (starting the 12<sup>th</sup>) compared to starting on January 25<sup>th</sup> last year. The Super Bowl was February 2<sup>nd</sup> last year and February 7<sup>th</sup> this year. Sometimes, when Chinese New Year and the Super Bowl are close to each other, the two events run the risk of displacing some high-end play.

This year, the traditional comparisons are less meaningful because of Covid-19. While the casinos were still operating fairly normally January-February last year, international travel was already on shaky ground and the baccarat comp for the combined months in 2020 was not particularly strong. The January volumes were poor by comparison (-63.1%) and the casinos held poorly (down 230 bps compared to the TTM average and down 298 bps from last January). Based on January's baccarat win of \$31.5 million February's baccarat number will have to be \$203.9 million to break even with 2020's January-February total. While that is not an impossible number, limited travel from Asian VIPs weighs heavily against the possibility.

For some context, baccarat win in February has only broken the \$200 million threshold twice. The highest baccarat/mini-bacc win for a combined January-February was \$374.7 million in 2013, aided by the single-month win record in February 2013. The January-February combination in 2013 was also a record in terms of volume for the period and was assisted by a strong hold of 14.63%.

## **January 2021 Las Vegas Strip Analysis**

January 2021 had two extra weekend days compared to last January but may have had some slot collections slip into February.

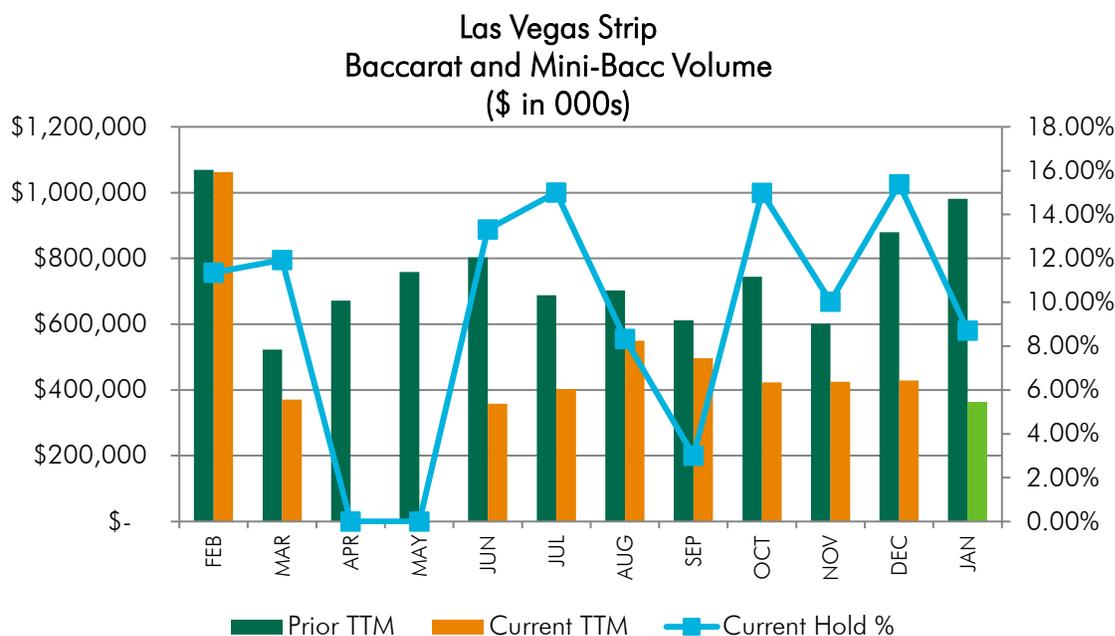
Unadjusted for luck factors and calendar issues, according to the Nevada Gaming Control Board, January 2021 revenue was as follows:

- Las Vegas Strip gaming revenue was \$321.5 million, down -43.8% for the month.
- Table games revenue, excluding bacc/mini bacc, was \$89.8 million, down -42.3% for the month.
- Bacc/mini bacc revenue was \$31.5 million, down -72.5% for the month.
- Slot revenue was \$178.7 million, down -37.7% for the month.

Mass market table games (excluding bacc/mini bacc) hold was 15.05% in January 2021, 43 bps below the hold of 15.48% in January 2020 and 46 bps below the trailing twelve-month average. Bacc/mini bacc hold was 8.72%, 298 bps below January 2020, and 230 bps below the trailing twelve-month average.

Slot volume was down -35.6% for the month. Hold was 8.14% this month, versus the 8.42% hold of last January. The variance may be tied to collection issues.

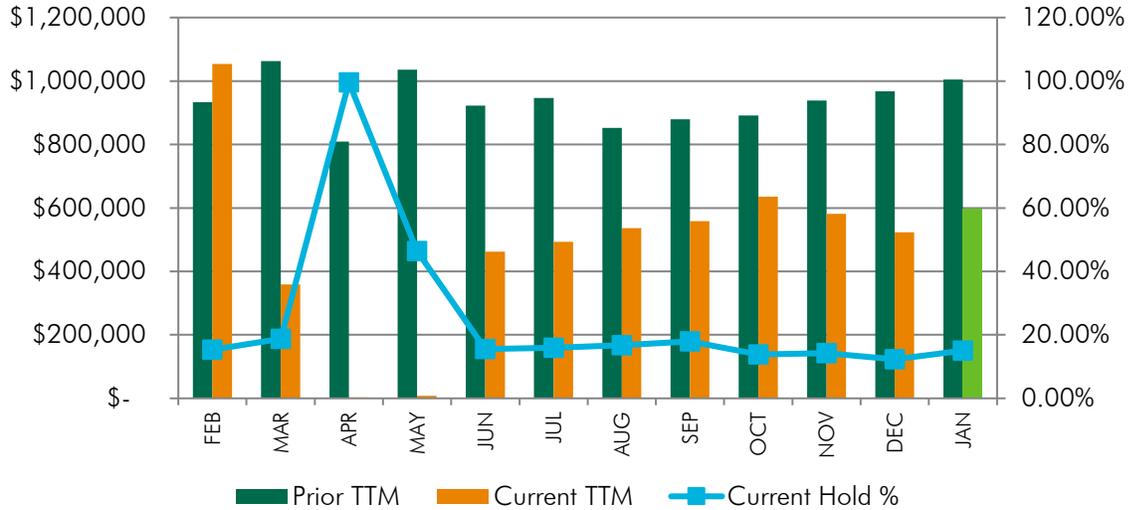
The following graphs show month over month changes for the trailing twelve months as well as the hold percentage in the current twelve months.



Source: NGCB; CBRE estimates

In the trailing twelve months ending January 2021, baccarat volume was down -46.0% over the TTM ending January 2020. Baccarat hold in the current TTM is lower (down by -132 bps) over the previous TTM, and win is down by -51.8% in the period.

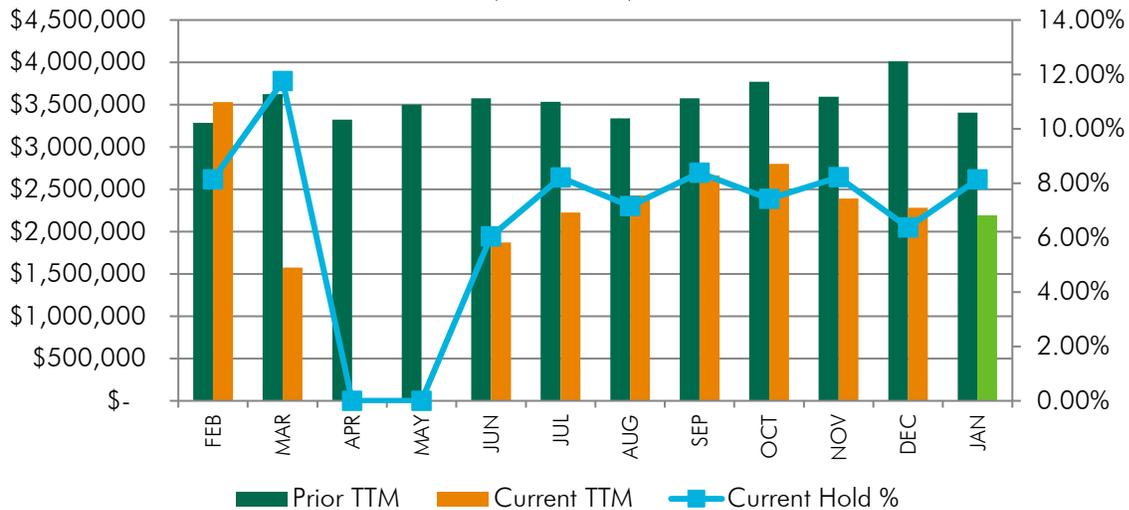
### Las Vegas Strip Mass Market Table Games Volume (\$ in 000s)



Source: NGCB; CBRE estimates

Mass market table games volume was down by -48.3% in the TTM through January 2021. The hold percentage is down by -45 basis points, which pushes a TTM revenue decline to -49.8%.

### Las Vegas Strip Slot Volume (\$ in 000s)



Source: NGCB; CBRE estimates

Slot volumes are down -43.7% in the TTM comparison, and win is down by -45.2% in the period, due to a 22 bps decline in hold.

## Downtown Las Vegas

Downtown gaming revenue fell 17.3% this month, although it was up 7.3% sequentially. The opening of Circa appears to have helped Downtown somewhat.

Historically, Downtown properties lag the recovery compared to the Strip because Downtown is forced to hold room rates/prices below what the Strip offers. This time around, we believe that a locals base (which has outpaced the Strip recovery) and recent capital improvements all over Downtown will provide some support to revenue. In consideration of these factors, Downtown may be spared a drawn-out recovery behind the Strip.

The market is down 34.4% in the TTM comparison.

Please see the attachment for more detail on the Downtown market.

## Las Vegas Locals Market

The locals gaming market was down 6.4% this month versus January 2020, but the local market's recovery is still reasonably good (up 10.3% sequentially). Stimulus spending, tax refunds, strong housing prices and a moratorium on evictions are likely providing support. Employment continues to improve as well, but we expect the recovery to be choppy as stimulus support declines and we have a better picture of rent/mortgage pressure.

Both table games and slot volumes are down in the TTM comparison (-29.5% and -28.3%, respectively).

Please see the attachment for more details on the local market.

| Las Vegas Locals Gaming Revenue |                        |                 |
|---------------------------------|------------------------|-----------------|
| <u>Period</u>                   | <u>Revenue (\$000)</u> | <u>% Change</u> |
| TTM Ending JAN 2019             | \$2,366,844            | 3.5%            |
| TTM Ending JAN 2020             | \$2,430,172            | 2.7%            |
| TTM Ending JAN 2021             | \$1,854,040            | -23.7%          |

Source: NGCB; CBRE estimates

## Nevada Statewide

Nevada had a decent month outside of the Strip. Some of our northern Nevada neighbors posted some decent gains for the month. Excluding the Strip, Nevada was down only 5.4% for the month. Excluding the Strip, Clark County was only down 10.9% for the month. The state is down 24.6% in the TTM comparison (exc. the Strip).

| Area                       | Trailing Twelve Months  |                        |                | % of State    |
|----------------------------|-------------------------|------------------------|----------------|---------------|
|                            | 2020                    | 2021                   | TTM            |               |
|                            | JAN                     | JAN                    | % Change       |               |
| <b>Statewide</b>           | <b>\$12,085,162,153</b> | <b>\$7,597,403,479</b> | <b>(37.1%)</b> | <b>100.0%</b> |
| <b>Clark County</b>        | <b>\$10,398,807,993</b> | <b>\$6,254,040,549</b> | <b>(39.9%)</b> | <b>82.3%</b>  |
| LV Strip                   | \$6,627,481,167         | \$3,482,697,628        | (47.5%)        | 45.8%         |
| Downtown                   | \$691,926,927           | \$453,972,762          | (34.4%)        | 6.0%          |
| North Las Vegas            | \$299,797,908           | \$198,920,163          | (33.6%)        | 2.6%          |
| Laughlin                   | \$507,975,463           | \$353,922,744          | (30.3%)        | 4.7%          |
| Boulder Strip              | \$851,747,570           | \$649,624,076          | (23.7%)        | 8.6%          |
| Mesquite                   | \$137,230,424           | \$109,406,414          | (20.3%)        | 1.4%          |
| Balance of County          | \$1,278,648,535         | \$1,005,496,763        | (21.4%)        | 13.2%         |
| <b>Washoe County</b>       | <b>\$861,916,025</b>    | <b>\$679,197,265</b>   | <b>(21.2%)</b> | <b>8.9%</b>   |
| Reno                       | \$630,097,861           | \$486,329,319          | (22.8%)        | 6.4%          |
| Sparks                     | \$139,552,772           | \$111,145,056          | (20.4%)        | 1.5%          |
| North Lake Tahoe           | \$25,156,207            | \$19,062,844           | (24.2%)        | 0.3%          |
| Balance of County          | \$67,109,185            | \$62,660,047           | (6.6%)         | 0.8%          |
| <b>South Lake Tahoe</b>    | <b>\$228,658,743</b>    | <b>\$179,849,739</b>   | <b>(21.3%)</b> | <b>2.4%</b>   |
| <b>Elko County</b>         | <b>\$314,742,930</b>    | <b>\$247,225,539</b>   | <b>(21.5%)</b> | <b>3.3%</b>   |
| Wendover                   | \$214,798,785           | \$165,301,403          | (23.0%)        | 2.2%          |
| Balance of County          | \$99,944,147            | \$81,924,140           | (18.0%)        | 1.1%          |
| <b>Carson Valley Area*</b> | <b>\$111,171,574</b>    | <b>\$90,730,575</b>    | <b>(18.4%)</b> | <b>1.2%</b>   |
| <b>Other</b>               | <b>\$169,864,889</b>    | <b>\$146,359,810</b>   | <b>(13.8%)</b> | <b>1.9%</b>   |

\* Carson Valley Area includes Carson City, Gardnerville, Minden and all other areas of Douglas County except South Lake Tahoe.

Source: NGCB; CBRE estimates

## Mobile Gaming

Mobile sports betting was \$23.1 million for the month, totaling \$127.3 million for the trailing twelve months.

| Sports - Mobile Revenue | 2021           |                 |
|-------------------------|----------------|-----------------|
|                         | JAN            | TTM             |
| (\$ millions)           |                |                 |
| <b>Statewide</b>        | <b>\$23.13</b> | <b>\$127.25</b> |
| Strip                   | \$3.04         | \$15.30         |
| Downtown                | \$13.69        | \$76.77         |
| LV Locals               | \$5.50         | \$29.27         |
| Other                   | \$0.91         | \$5.91          |

Source: NGCB; CBRE estimates

Please feel free to contact me if you have questions at 702.369.4803 or [brent.pirosch@cbre.com](mailto:brent.pirosch@cbre.com).