

# November 2020 Las Vegas Strip Gaming Revenue Analysis

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## **Happy Holidays**

I tend to get quite a few "out of office" replies this time of year, so I'll keep it brief and save up for the year-end analysis next month. Whatever you celebrate, I hope your holiday season is warm, joyful, and healthy. I'm sure all of us are looking forward to a brighter new year.

## **Disappointing November**

November was a disappointing month. Sequentially from October, volume on the Strip was down 12.4% while supply was basically flat (+0.3%). This was the first sequential volume decline since reopening this year. Not all too surprising given the surge in coronavirus cases towards the end of the year and the additional restrictions that followed, but a little heart breaking nonetheless.

## **November 2020 Las Vegas Strip Analysis**

November 2020 had the same number of weekend days compared to last November, but one fewer Friday and Saturday. This November may have benefitted from some October slot collections, while last November probably had some slot collections fall into December 2019.

Unadjusted for luck factors and calendar issues, according to the Nevada Gaming Control Board, November 2020 revenue was as follows:

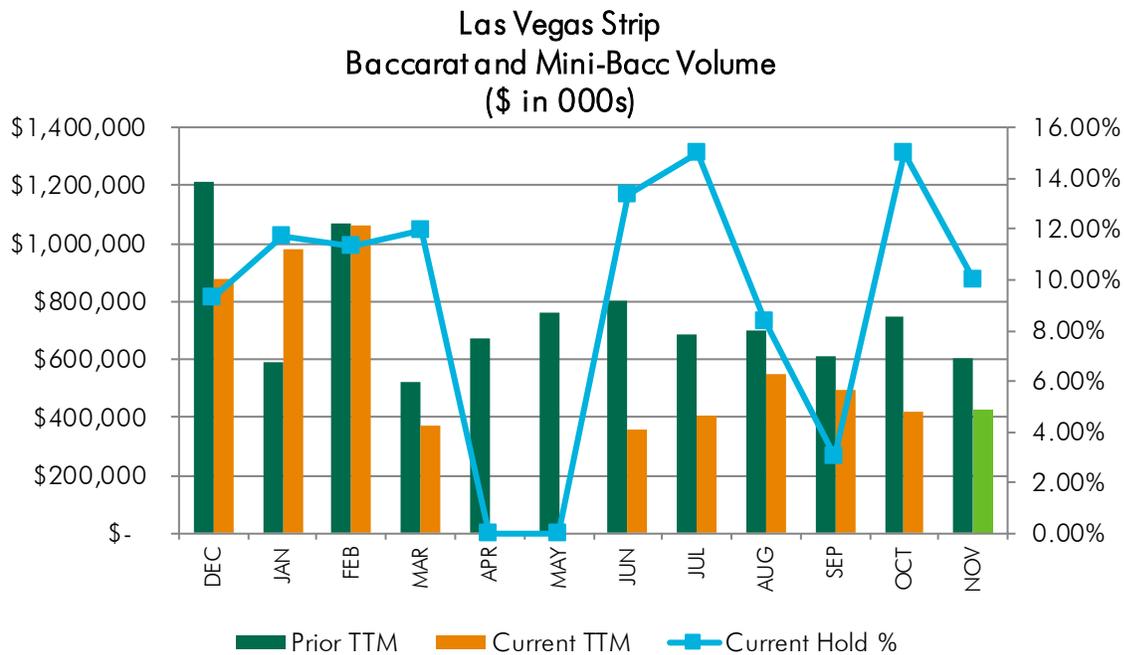
- Las Vegas Strip gaming revenue was \$349.8 million, down -32.5% for the month, and down -42.6% YTD.

- Table games revenue, excluding bacc/mini bacc, was \$82.6 million, down -40.4% for the month, and down -44.3% YTD.
- Bacc/mini bacc revenue was \$42.6 million, down -46.3% for the month, and down -45.5% YTD.
- Slot revenue was \$196.6 million, down -29.2% for the month, and down -40.5% YTD.

Mass market table games (excluding bacc/mini bacc) hold was 14.21% in November 2020, 57 bps below the hold of 14.77% in November 2019 but 176 bps below the trailing twelve-month average. Bacc/mini bacc hold was 10.02%, 316 bps below November 2019, and 67 bps below the trailing twelve-month average.

Slot volume was down -33.4% for the month and is down -40.0% YTD. Hold was 8.22% this month, versus the 7.73% hold of last November. The variance may be tied to collection issues.

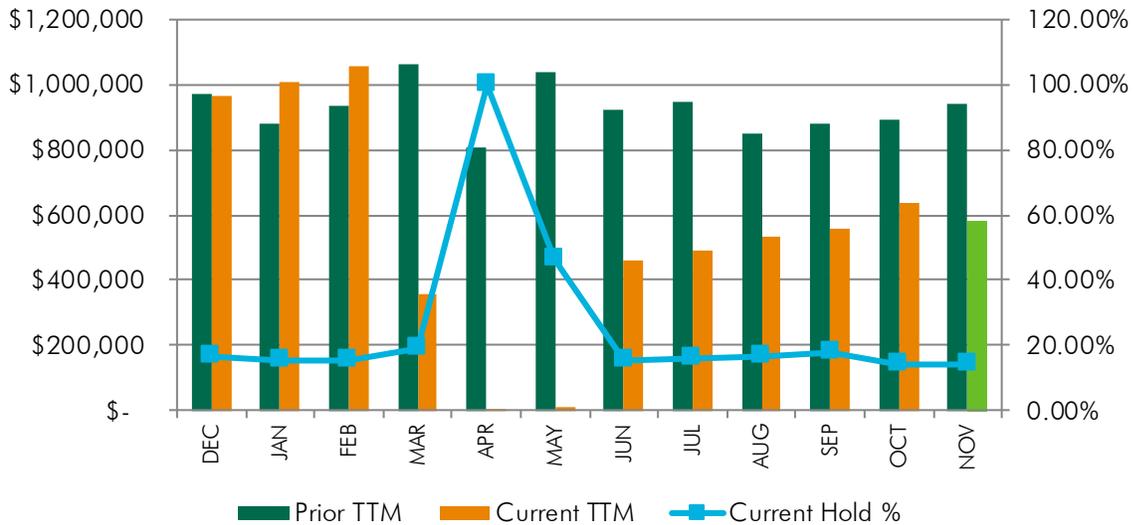
The following graphs show month over month changes for the trailing twelve months as well as the hold percentage in the current twelve months.



Source: NGCB; CBRE estimates

In the trailing twelve months ending November 2020, baccarat volume was down -33.7% over the TTM ending November 2019. Baccarat hold in the current TTM is lower (down by -185 bps) over the previous TTM, and win is down by -43.5% in the period.

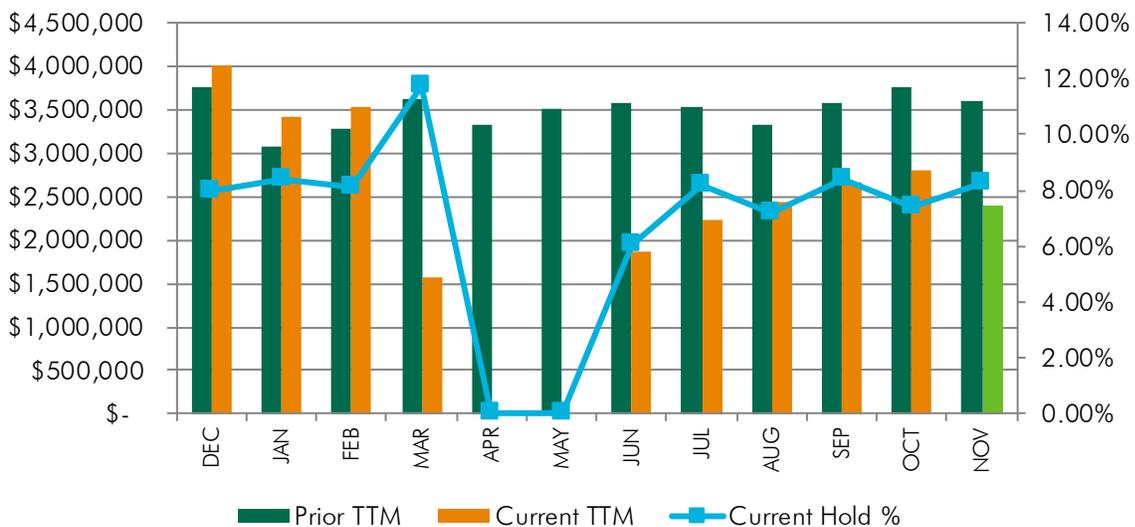
### Las Vegas Strip Mass Market Table Games Volume (\$ in 000s)



Source: NGCB; CBRE estimates

Mass market table games volume was down by -40.1% in the TTM through November 2020. The hold percentage is up by 16 basis points, which pushes a TTM revenue decline to -39.5%.

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



Source: NGCB; CBRE estimates

Slot volumes are down -35.9% in the TTM comparison, and win is down by -36.2% in the period, due to a 4 bps decline in hold.

## Downtown Las Vegas

Downtown gaming revenue grew 1.7% this month. Circa opened its casino and many of its amenities at the end of October, so this is the first full month of operations. I'm certain that coronavirus concerns hindered growth substantially, as Downtown only grew 0.3% sequentially over October. Unfortunately, this means that Circa's opening essentially just rearranged market share.

On another note, sports pool volume and win hit new records this month, no doubt driven by the exceptional sports book at Circa.

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

## Las Vegas Locals Market

The locals gaming market was up 5.8% this month versus November 2019, holding the local market's TTM decline to just 20.9%. Both table games and slot volumes are down in the TTM comparison by 26.3%, so better hold has helped the market.

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 NOV 2018	\$2,340,634	3.3%
TTM Ending NOV 2019	\$2,408,150	2.9%
TTM Ending NOV 2020	\$1,904,466	-20.9%

Source: NGCB; CBRE estimates

## Nevada Statewide

Nevada had a solid month, all things considered, declining 17.8% for the month. Excluding the Strip, Nevada is down 22.1% in the TTM comparison.

Area	Trailing Twelve Months			% of State
	2019 NOV	2020 NOV	TTM % Change	
<b>Statewide</b>	<b>\$11,973,849,551</b>	<b>\$8,247,621,822</b>	<b>(31.1%)</b>	<b>100.0%</b>
<b>Clark County</b>	<b>\$10,299,214,747</b>	<b>\$6,901,891,573</b>	<b>(33.0%)</b>	<b>83.7%</b>
LV Strip	\$6,561,846,628	\$4,033,107,357	(38.5%)	48.9%
Downtown	\$680,895,652	\$481,853,918	(29.2%)	5.8%
North Las Vegas	\$297,086,368	\$214,156,386	(27.9%)	2.6%
Laughlin	\$507,866,076	\$373,809,987	(26.4%)	4.5%
Boulder Strip	\$847,769,231	\$675,501,056	(20.3%)	8.2%
Mesquite	\$136,434,727	\$108,654,512	(20.4%)	1.3%
Balance of County	\$1,263,316,068	\$1,014,808,359	(19.7%)	12.3%
<b>Washoe County</b>	<b>\$858,776,811</b>	<b>\$684,541,075</b>	<b>(20.3%)</b>	<b>8.3%</b>
Reno	\$628,369,926	\$493,808,978	(21.4%)	6.0%
Sparks	\$138,430,734	\$111,169,904	(19.7%)	1.3%
North Lake Tahoe	\$25,440,646	\$19,381,065	(23.8%)	0.2%
Balance of County	\$66,535,505	\$60,181,129	(9.6%)	0.7%
<b>South Lake Tahoe</b>	<b>\$224,231,622</b>	<b>\$184,716,742</b>	<b>(17.6%)</b>	<b>2.2%</b>
<b>Elko County</b>	<b>\$311,097,414</b>	<b>\$243,398,596</b>	<b>(21.8%)</b>	<b>3.0%</b>
Wendover	\$211,944,083	\$162,961,765	(23.1%)	2.0%
Balance of County	\$99,153,333	\$80,436,835	(18.9%)	1.0%
<b>Carson Valley Area*</b>	<b>\$111,514,946</b>	<b>\$89,706,362</b>	<b>(19.6%)</b>	<b>1.1%</b>
<b>Other</b>	<b>\$169,014,011</b>	<b>\$143,367,470</b>	<b>(15.2%)</b>	<b>1.7%</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 \$23.5 million for the month, totaling \$92.6 million YTD.

Sports - Mobile Revenue	2020	
	NOV	YTD
(\$ millions)		
<b>Statewide</b>	<b>\$23.53</b>	<b>\$92.60</b>
Strip	\$5.67	\$9.78
Downtown	\$12.05	\$56.70
LV Locals	\$4.79	\$22.32
Other	\$1.02	\$3.80

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).