

September 2020 Las Vegas Strip Gaming Revenue Analysis

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Circa Opens Today

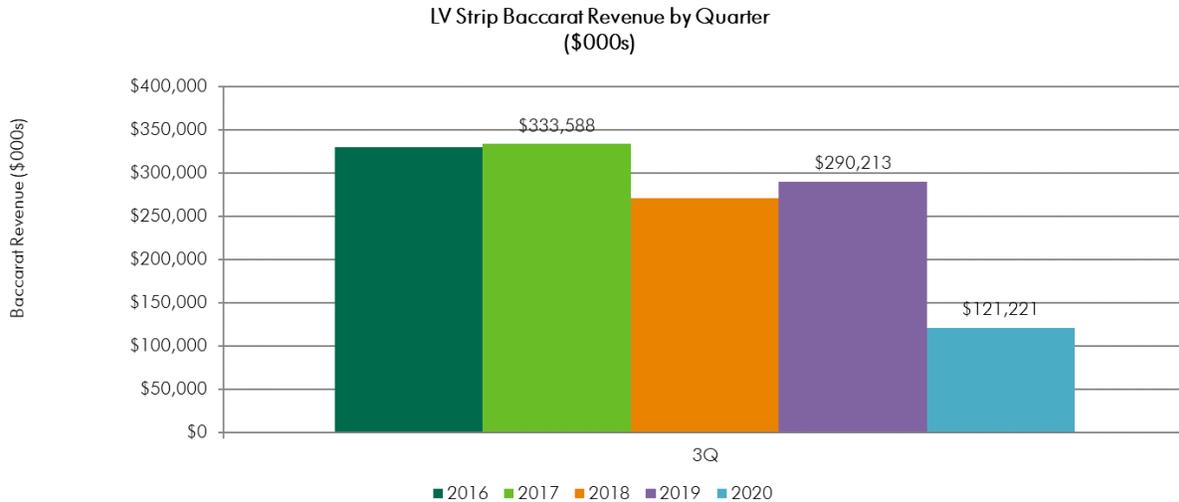
Exciting times today as Circa opens in Downtown Las Vegas. Circa is expected to be a transformative moment for Downtown, a major capital investment in a submarket that hasn't seen ground up development for 40 years.

Downtown was showing significant growth before the pandemic hit. The submarket was up six years in a row, and 2019 was the highest gaming revenue in 20 years. Most of the operators had begun various capital projects during this time, refurbishing rooms and public spaces. The Plaza, Downtown Grand, and The D are notable standouts in this area, and the Downtown Grand recently opened a new 495-room hotel tower.

We wish Circa and its 1,500 employees nothing but success.

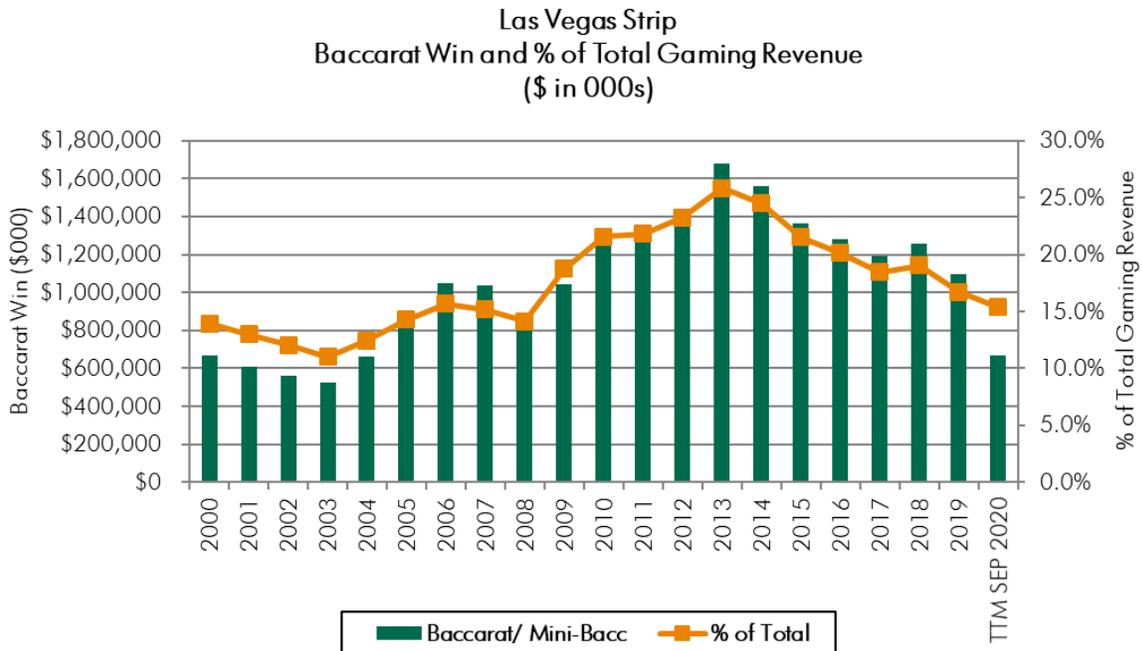
3Q Baccarat

Baccarat win for the quarter was pretty dismal, beaten up by particularly low hold in September and the overall pandemic-related challenges to the market. The chart below highlights baccarat revenue on the Strip in the third quarter. In terms of third quarter periods, 3Q 2013 is the record at \$444.5 million. 3Q 2020 shows a decline of 58.2% from 3Q 2019, although volume was down just 27.6%.



Source: NGCB; CBRE estimates

Baccarat goes to just a handful of properties (as we often remind folks) but still represents just over 15% of market totals.



The mass market is off by 35.1% for the third quarter, hampered by capacity restrictions and low visitation. See the analysis below for more details about baccarat and the mass market hold trends.

September 2020 Las Vegas Strip Analysis

September was kind of a tale of two cities – mass market benefitted from decent hold while VIP was crushed. There isn't much that can be pulled from a single month comparison, but the market was up

11.8% sequentially from August on a 7.1% sequential increase in positions. The market is still heading in the right direction.

September 2020 had one fewer weekend day compared to last September and September last year may have benefitted from prior month slot collections.

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

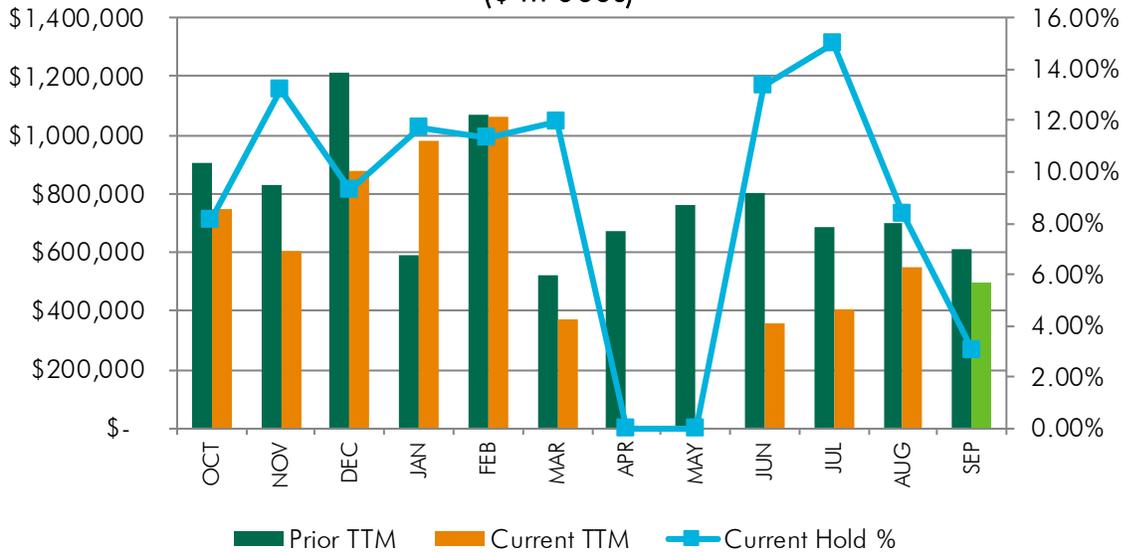
- Las Vegas Strip gaming revenue was \$354.7 million, down -39.3% for the month, and down -45.0% YTD.
- Table games revenue, excluding bacc/mini bacc, was \$100.4 million, down -27.4% for the month, and down -45.4% YTD.
- Bacc/mini bacc revenue was \$15.0 million, down -86.4% for the month, and down -48.9% YTD.
- Slot revenue was \$223.3 million, down -27.2% for the month, and down -42.8% YTD.

Mass market table games (excluding bacc/mini bacc) hold was 17.97% in September 2020, 223 bps above the hold of 15.74% in September 2019 and 181 bps above the trailing twelve-month average. Bacc/mini bacc hold was 3.01%, 1,502 bps below September 2019, and 738 bps below the trailing twelve-month average.

Slot volume was down -25.4% for the month, and is down -42.6% YTD. Hold was 8.38% this month, versus the 8.59% hold of last September. 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.

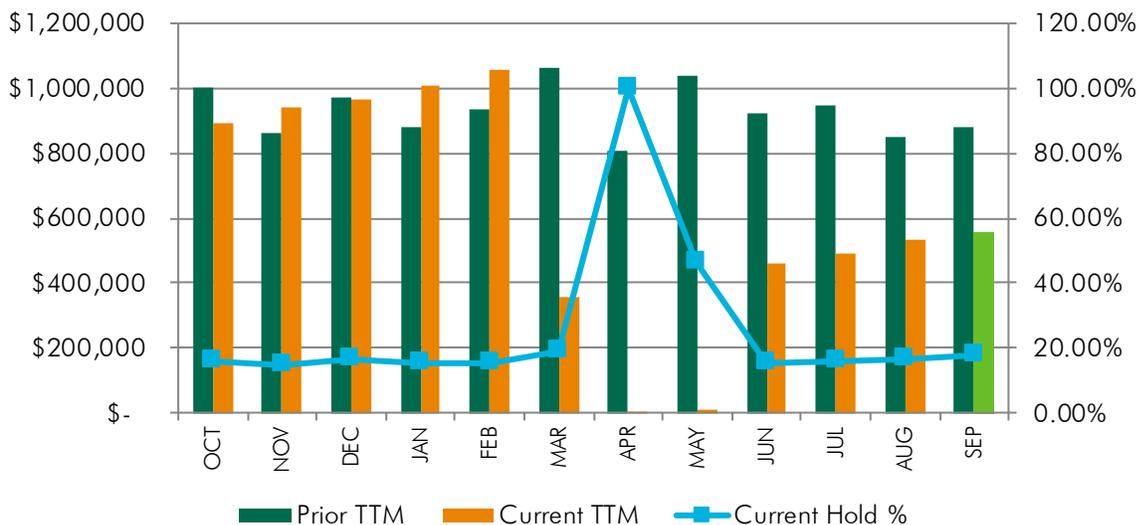
Las Vegas Strip Baccarat and Mini-Bacc Volume (\$ in 000s)



Source: NGCB; CBRE estimates

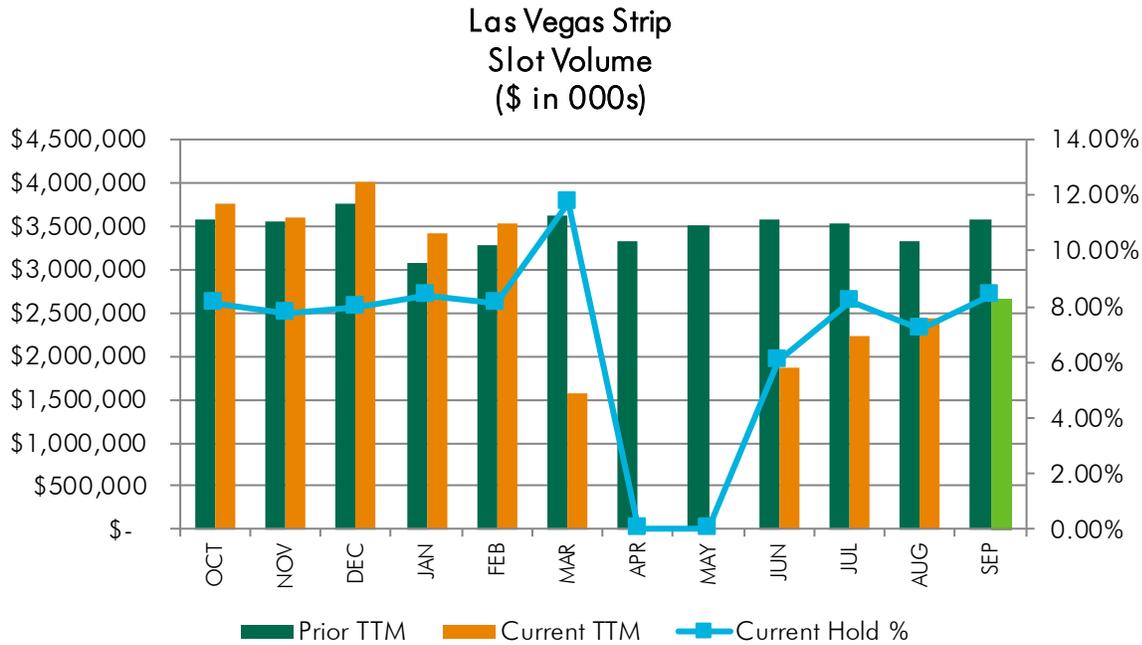
In the trailing twelve months ending September 2020, baccarat volume was down -31.2% over the TTM ending September 2019. Baccarat hold in the current TTM is lower (down by -209 bps) over the previous TTM, and win is down by -42.7% in the period.

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



Source: NGCB; CBRE estimates

Mass market table games volume was down by -34.7% in the TTM through September 2020. The hold percentage is up by 0 basis points, which holds a TTM revenue decline to -34.7%.



Source: NGCB; CBRE estimates

Slot volumes are down -30.3% in the TTM comparison, and win is down by -31.0% in the period, due to a 7 bps decline in hold.

Downtown Las Vegas

Sports betting volume hit a new record in September at over \$168 million. On another note, Downtown has a locals component (estimated at 20%-25%) that has aided its recovery over the Strip.

Downtown gaming revenue fell 21.5% this month, but was up 45.6% sequentially over August. The market is down 27.0% 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 1.5% this month versus September 2019, showing the kind of recovery we've seen in regional markets around the US. Good hold seemed to prop up the September

figure a bit. Both table games and slot volumes are down in the TTM comparison (-22.8% and -24.5%, respectively).

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

Las Vegas Locals Gaming Revenue		
Period	Revenue (\$000)	% Change
TTM Ending SEP 2018	\$2,341,100	4.4%
TTM Ending SEP 2019	\$2,411,442	3.0%
TTM Ending SEP 2020	\$1,917,788	-20.5%

Source: NGCB; CBRE estimates

Nevada Statewide

Excluding the Strip, Nevada was down just 1.8% for the month – a solid figure. The state is down 21.5% in the TTM comparison without the Strip.

Area	Trailing Twelve Months			% of State
	2019 SEP	2020 SEP	TTM % Change	
Statewide	\$12,044,347,335	\$8,613,164,137	(28.5%)	100.0%
Clark County	\$10,375,210,886	\$7,274,521,248	(29.9%)	84.5%
LV Strip	\$6,633,254,817	\$4,364,009,662	(34.2%)	50.7%
Downtown	\$679,669,234	\$496,444,968	(27.0%)	5.8%
North Las Vegas	\$301,457,344	\$221,595,756	(26.5%)	2.6%
Laughlin	\$511,406,606	\$387,520,277	(24.2%)	4.5%
Boulder Strip	\$853,546,224	\$684,374,446	(19.8%)	7.9%
Mesquite	\$135,368,543	\$108,757,720	(19.7%)	1.3%
Balance of County	\$1,256,508,120	\$1,011,818,419	(19.5%)	11.7%
Washoe County	\$856,366,610	\$682,222,600	(20.3%)	7.9%
Reno	\$627,951,581	\$493,684,036	(21.4%)	5.7%
Sparks	\$136,509,301	\$112,439,061	(17.6%)	1.3%
North Lake Tahoe	\$25,826,646	\$18,903,869	(26.8%)	0.2%
Balance of County	\$66,079,081	\$57,195,636	(13.4%)	0.7%
South Lake Tahoe	\$225,073,561	\$179,308,582	(20.3%)	2.1%
Elko County	\$309,524,782	\$246,353,260	(20.4%)	2.9%
Wendover	\$210,959,437	\$165,887,186	(21.4%)	1.9%
Balance of County	\$98,565,346	\$80,466,076	(18.4%)	0.9%
Carson Valley Area*	\$110,954,487	\$89,358,366	(19.5%)	1.0%
Other	\$167,217,010	\$141,400,077	(15.4%)	1.6%

* 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 \$11.0 for the month, totaling \$55.5 YTD. The win for September was just shy of the \$11.2 million record set in January 2020.

Sports - Mobile Revenue (\$ millions)	2020	
	SEP	YTD
Statewide	\$11.01	\$55.47
Strip	\$1.55	\$7.63
Downtown	\$6.13	\$32.54
LV Locals	\$2.73	\$13.15
Other	\$0.60	\$2.16

Please feel free to contact me if you have questions at 702.369.4803 or brent.pirosch@cbre.com.