

## February 2018 Las Vegas Strip Gaming Revenue Analysis

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### **Good VIP, Bad Mass**

The VIP market showed up in February, but the casinos were unlucky with the mass market, making for a bit of an odd start to the year.

Looking at the combined January-February dates, baccarat volume was up 14.7% versus last year, and hold was pretty close, leading to a decent start in the VIP market. This was the best January-February start since 2013, and one of only four \$300M+ baccarat starts in the Strip's history.

Mass market table volume was off 3.1% in the period, however, and was less lucky too (hold was off 140 bps versus 2017). Slots volume was up 1.4% in the period, and hold was also close, but it means the Strip was carried by high end play. Visitor volumes are still off slightly, and both mass market win per available room and win per visitor are down to start. As room inventory comes back on line following the many renovations last year, we'll see if visitation and spending come back as well.

### **February 2018 Las Vegas Strip Analysis**

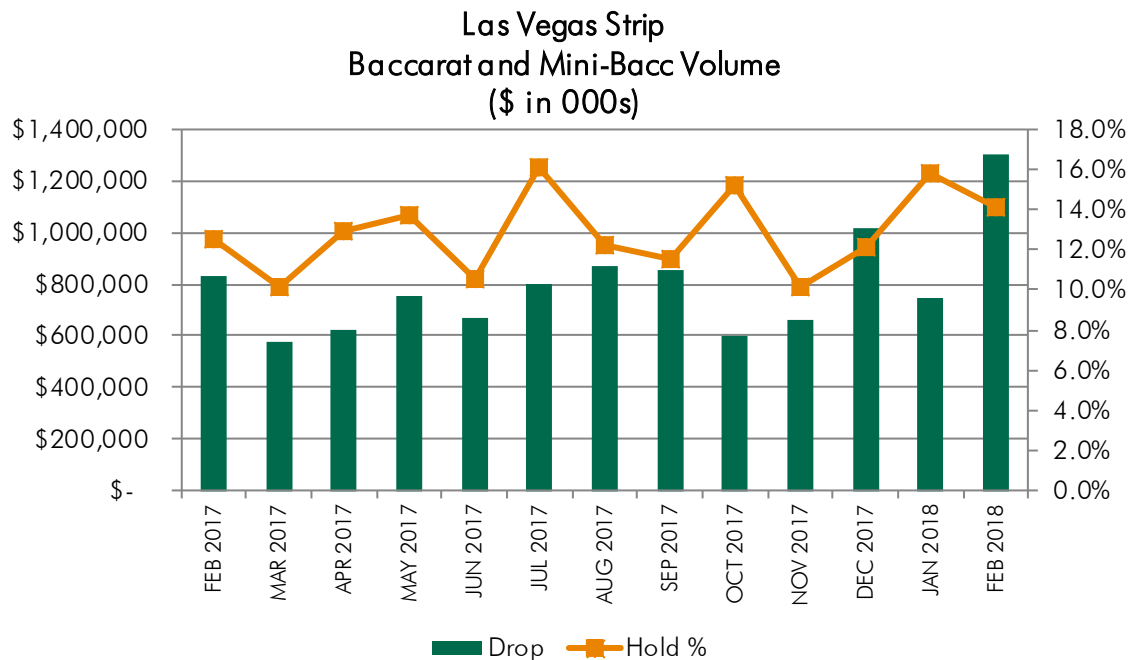
Unadjusted for luck factors and calendar issues, according to the Nevada Gaming Control Board, February 2018 revenue was as follows:

- Las Vegas Strip gaming revenue was \$603.5 million, up 11.4% for the month, but up 0.6% YTD.
- Table games revenue, excluding bacc/mini bacc, was \$145.2 million, down -13.6% for the month, and down -10.9% YTD.
- Bacc/mini bacc revenue was \$183.3 million, up 77.4% for the month, and up 13.7% YTD.
- Slot revenue was \$256.5 million, up 2.9% for the month, and up 1.1% YTD.

Mass market table games (excluding bacc/mini bacc) hold was 15.31% in February 2018, 214 bps below the hold of 17.45% in February 2017 and 81 bps below the trailing twelve-month average. Bacc/mini bacc hold was 14.11%, 163 bps above February 2017, and 113 bps above the trailing twelve-month average.

Slot volume was up 5.1% for the month, and is up 1.4% YTD. Hold was 7.63% this month, versus the 7.80% hold of last February.

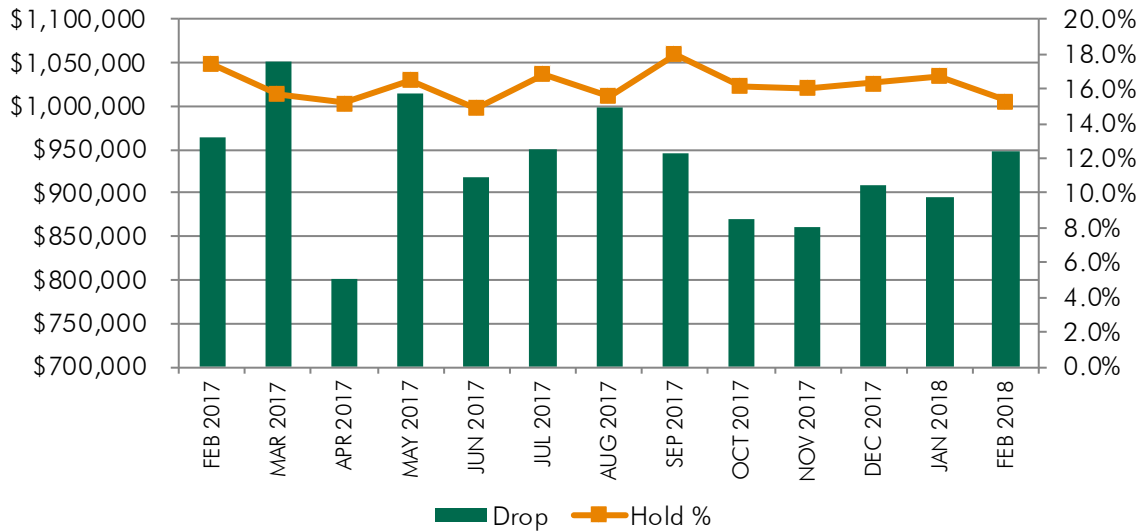
The following graphs show the drop/handle and win percentage for the Las Vegas Strip for the trailing thirteen months.



Source: NGCB; CBRE estimates

In the trailing twelve months ending February 2018, baccarat volume was up 4.1% over the TTM ending February 2017. Baccarat hold in the current TTM is much lower (down by -141 bps) over the previous TTM, so win is down by -6.0% in the period.

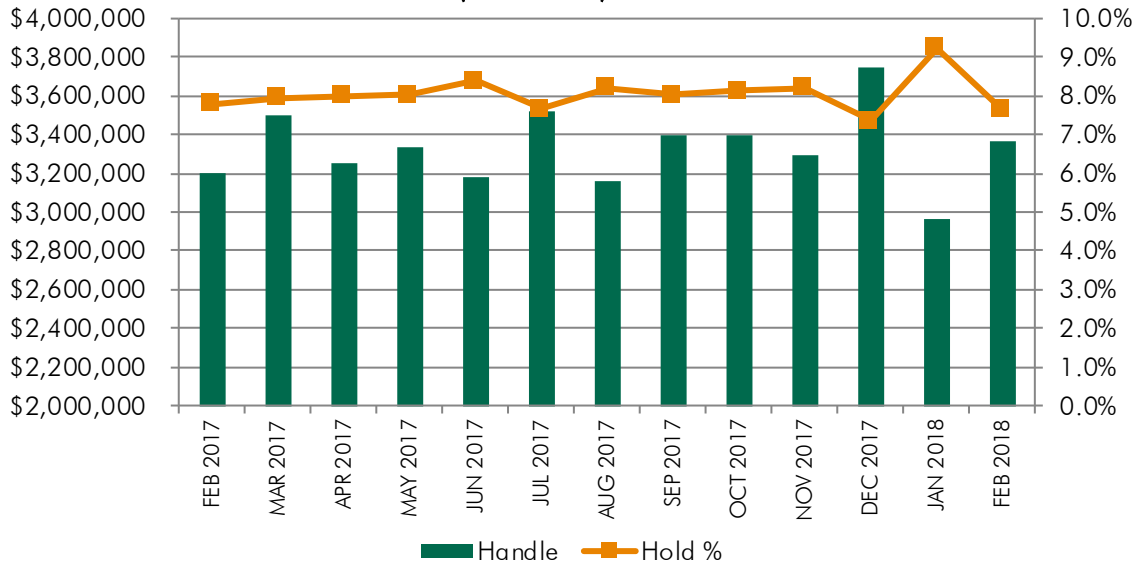
### Las Vegas Strip Mass Market Table Games Volume (\$ in 000s)



Source: NGCB; CBRE estimates

Mass market table games volume was down by -3.4% in the TTM through February 2018. The hold percentage is up by 56 basis points, however, which holds the revenue flat.

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



Source: NGCB; CBRE estimates

Slot volumes are up 1.7% in the TTM comparison, and win is up by 3.1% in the period, due to a 11 bps increase in hold.

## Downtown Las Vegas

Downtown gaming revenue grew 2.8% this month. The Lucky Dragon, which had boosted Downtown's numbers for the year and change it was open, closed the casino in early January. Thus same-store growth Downtown is ahead of the headline number as the Downtown story remains strong.

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

## Las Vegas Locals Market

The locals gaming market was down 1.1% this month versus February 2017, following a particularly bad month in football losses at the Sports Books (new record low). Both table games and slot volumes are strong in the TTM comparison (+3.1%).

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 FEB 2016	\$2,175,286	3.9%
TTM Ending FEB 2017	\$2,196,034	1.0%
TTM Ending FEB 2018	\$2,284,621	4.0%

Source: NGCB; CBRE estimates

## Nevada Statewide

Nevada cracked the \$1 billion mark again this month, making it the first January-February billion dollar starts since 2008. Excluding the Strip, Nevada is up 5.2% in the TTM, and every submarket is positive.

Area	Trailing Twelve Months			% of State
	2017 FEB	2018 FEB	TTM % Change	
<b>Statewide</b>	<b>\$11,323,704,456</b>	<b>\$11,623,004,275</b>	<b>2.6%</b>	<b>100.0%</b>
<b>Clark County</b>	<b>\$9,791,915,282</b>	<b>\$10,008,033,354</b>	<b>2.2%</b>	<b>86.1%</b>
LV Strip	\$6,424,319,796	\$6,468,468,314	0.7%	55.7%
Downtown	\$579,237,412	\$633,682,119	9.4%	5.5%
North Las Vegas	\$279,486,717	\$287,866,902	3.0%	2.5%
Laughlin	\$475,104,771	\$496,350,877	4.5%	4.3%
Boulder Strip	\$798,321,070	\$818,027,610	2.5%	7.0%
Mesquite	\$117,473,649	\$124,911,834	6.3%	1.1%
Balance of County	\$1,117,971,865	\$1,178,725,700	5.4%	10.1%
<b>Washoe County</b>	<b>\$801,040,833</b>	<b>\$838,924,730</b>	<b>4.7%</b>	<b>7.2%</b>
Reno	\$589,830,179	\$620,089,589	5.1%	5.3%
Sparks	\$126,456,376	\$128,387,115	1.5%	1.1%
North Lake Tahoe	\$25,545,485	\$25,971,099	1.7%	0.2%
Balance of County	\$59,208,793	\$64,476,924	8.9%	0.6%
<b>South Lake Tahoe</b>	<b>\$216,938,527</b>	<b>\$228,844,869</b>	<b>5.5%</b>	<b>2.0%</b>
<b>Elko County</b>	<b>\$265,314,350</b>	<b>\$286,190,918</b>	<b>7.9%</b>	<b>2.5%</b>
Wendover	\$173,570,862	\$191,468,264	10.3%	1.6%
Balance of County	\$91,743,488	\$94,722,651	3.2%	0.8%
<b>Carson Valley Area*</b>	<b>\$100,023,870</b>	<b>\$105,141,515</b>	<b>5.1%</b>	<b>0.9%</b>
<b>Other</b>	<b>\$148,471,592</b>	<b>\$155,868,889</b>	<b>5.0%</b>	<b>1.3%</b>

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

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).