

May 2018 Las Vegas Strip Gaming Revenue Analysis

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Baccarat to the Rescue (and Basketball)

Baccarat goes to just a handful of properties, but it has been providing an extra boost to an otherwise stable market. Mass market table games volume is about flat in the trailing twelve-month comparison, and slot volume is up about 1.4% in the period. Baccarat volume is up 7.1% in the TTM, however, driven by strong performance YTD (+13.6%). Things are generally marching right along.

The Strip sportsbooks also got a boost compared to the beating they took last year on basketball. There was more than a \$6 million positive swing compared to last year.

Atlantic City Re-Energizes

On the other side of the country, Atlantic City has re-opened two properties this week. Ocean Resort (Revel) and Hard Rock (Taj Mahal), both opened this week, hoping to capture as much of the summer tourist traffic as they can. Atlantic City had twelve casinos in 2013 but closed four of them before 2014 was over. Taj Mahal closed in October 2016, leaving the market with just seven casinos.

The re-opened properties are coming online during a tough start for Atlantic City, which is down 6.3% YTD and down 3.0% in the TTM ending May. May itself was not a great month, down 7.1% from weak table games volume and hold.

May 2018 Las Vegas Strip Analysis

May 2017 may have had the benefit of some April 2017 collections. Except for the event calendar, this May and May 2017 were similar. Heading into June, we could see a little bump because June has an extra weekend day compared to last year.

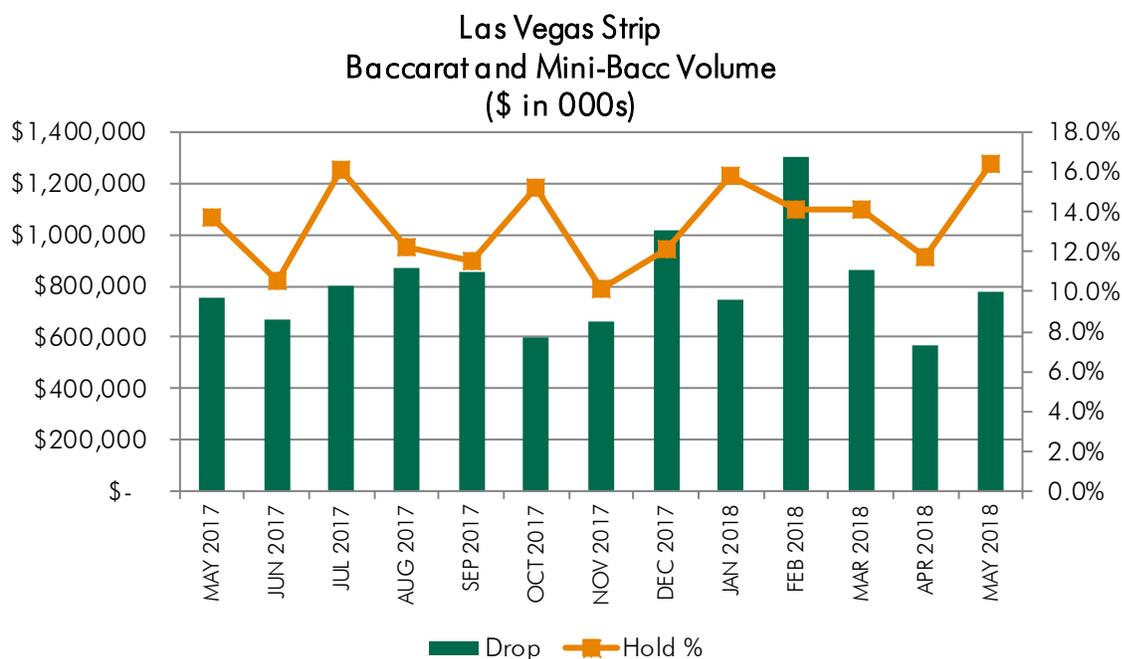
Unadjusted for luck factors and calendar issues, according to the Nevada Gaming Control Board, May 2018 revenue was as follows:

- Las Vegas Strip gaming revenue was \$581.5 million, up 6.3% for the month, and up 4.2% YTD.
- Table games revenue, excluding bacc/mini bacc, was \$155.5 million, down -7.4% for the month, and down -5.4% YTD.
- Bacc/mini bacc revenue was \$127.2 million, up 23.1% for the month, and up 21.5% YTD.
- Slot revenue was \$281.9 million, up 5.5% for the month, and up 2.6% YTD.

Mass market table games (excluding bacc/mini bacc) hold was 14.04% in May 2018, 249 bps below the hold of 16.53% in May 2017 and 170 bps below the trailing twelve-month average. Bacc/mini bacc hold was 16.40%, 264 bps above May 2017, and 300 bps above the trailing twelve-month average.

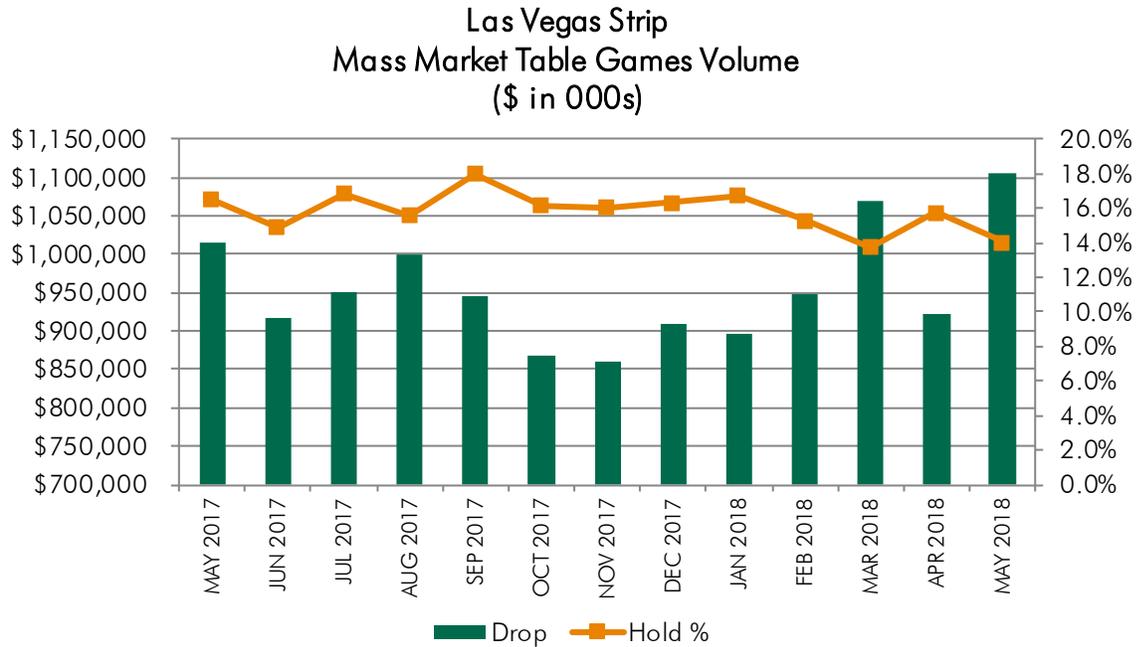
Slot volume was up 2.5% for the month, and is up 1.0% YTD. Hold was 8.26% this month, versus the 8.02% hold of last May.

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



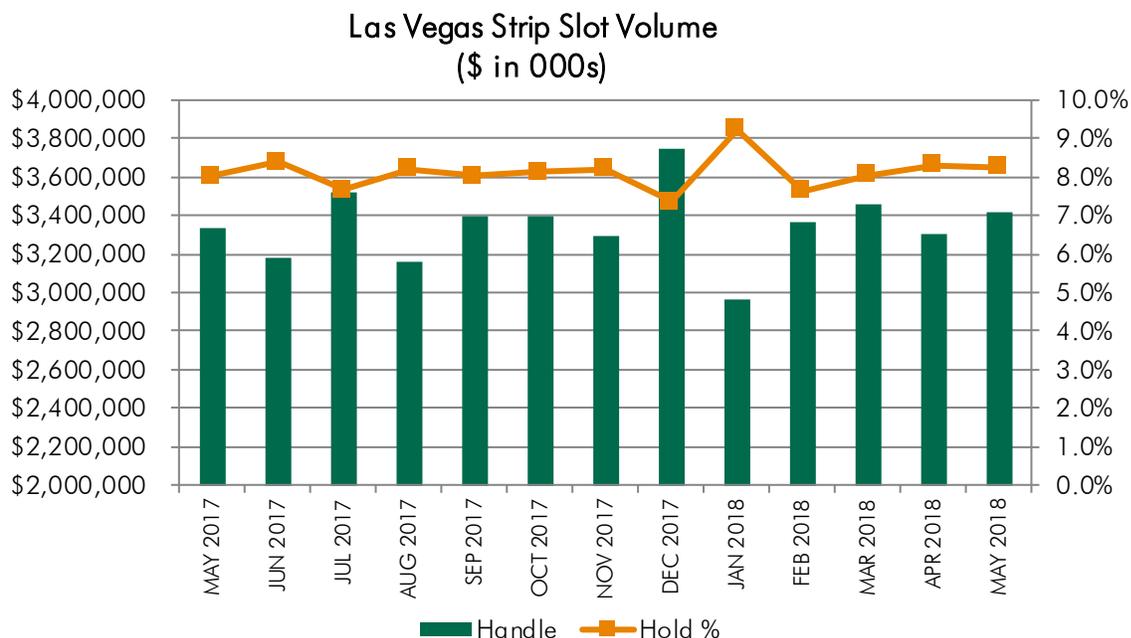
Source: NGCB; CBRE estimates

In the trailing twelve months ending May 2018, baccarat volume was up 7.1% over the TTM ending May 2017. Baccarat hold in the current TTM is lower (down by -67 bps) over the previous TTM, and win is up by 2.1% in the period.



Source: NGCB; CBRE estimates

Mass market table games volume was down by -0.2% in the TTM through May 2018. The hold percentage is down by -22 basis points, which pushes the TTM revenue decline to -1.5%.



Source: NGCB; CBRE estimates

Slot volumes are up 1.4% in the TTM comparison, and win is up by 2.8% in the period, due to a 11 bps increase in hold.

Downtown Las Vegas

Downtown gaming revenue fell 3.5% 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. We believe same-stores in Downtown are still up slightly.

The market is able to hold on to its positive trend in the TTM comparison (+4.3%).

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

Las Vegas Locals Market

The locals gaming market was up 4.8% this month versus May 2017, and the local market's long-term trend is solidly in positive territory (+4.0%) in the TTM comparison. Both table games and slot volumes are up in the TTM comparison (+3.2% and +3.6%, respectively).

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

Las Vegas Locals Gaming Revenue

Period	Revenue (\$000)	% Change
TTM Ending MAY 2016	\$2,179,255	2.8%
TTM Ending MAY 2017	\$2,221,057	1.9%
TTM Ending MAY 2018	\$2,310,138	4.0%

Source: NGCB; CBRE estimates

Nevada Statewide

Nevada hit more than \$1.0 billion in gaming revenue this May, making it four out of five months this year the state has surpassed that mark. This has been the best YTD start since 2008. Excluding the Strip, Nevada is up 4.6% in the TTM comparison.

Area	Trailing Twelve Months			% of State
	2017 MAY	2018 MAY	TTM % Change	
Statewide	\$11,436,492,455	\$11,775,942,624	3.0%	100.0%
Clark County	\$9,891,880,365	\$10,144,991,460	2.6%	86.2%
LV Strip	\$6,463,556,024	\$6,575,120,552	1.7%	55.8%
Downtown	\$605,057,879	\$631,027,432	4.3%	5.4%
North Las Vegas	\$282,338,681	\$289,544,122	2.6%	2.5%
Laughlin	\$482,347,835	\$502,310,672	4.1%	4.3%
Boulder Strip	\$804,394,700	\$828,238,804	3.0%	7.0%
Mesquite	\$120,216,640	\$126,397,302	5.1%	1.1%
Balance of County	\$1,133,968,602	\$1,192,352,577	5.1%	10.1%
Washoe County	\$804,325,647	\$846,435,770	5.2%	7.2%
Reno	\$592,073,523	\$622,473,810	5.1%	5.3%
Sparks	\$126,837,495	\$130,961,019	3.3%	1.1%
North Lake Tahoe	\$25,696,129	\$26,648,484	3.7%	0.2%
Balance of County	\$59,718,499	\$66,352,454	11.1%	0.6%
South Lake Tahoe	\$221,192,663	\$228,531,821	3.3%	1.9%
Elko County	\$269,077,219	\$289,852,842	7.7%	2.5%
Wendover	\$176,651,356	\$194,570,401	10.1%	1.7%
Balance of County	\$92,425,864	\$95,282,438	3.1%	0.8%
Carson Valley Area*	\$100,544,690	\$108,144,801	7.6%	0.9%
Other	\$149,471,868	\$157,985,932	5.7%	1.3%

* 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.