

# November 2016 Las Vegas Strip Gaming Revenue Analysis

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Happy New Year, everyone. I hope your 2016 was happy and healthy, and that this new year is an unqualified success.

I'll be keeping it short since many of you will be digging out of your inboxes today, and I'll save a more detailed analysis for the year-end numbers. There was a fair amount of news in December, however, that I want to touch on before we jump in.

The Lucky Dragon in Las Vegas opened in early December, and it was the first ground up development since the Cosmopolitan at the end of 2010. The new property is near the Strip, but its location on the north side of Sahara Avenue means we will likely see its numbers appear in the Downtown submarket.

MGM also opened its big National Harbor project in December. MGM National Harbor will take market share from nearby competitors, but the size and quality of the facility is expected to grow the market overall, and initial visitation estimates appear quite strong. Virginia is relatively untouched by gaming supply, and National Harbor's location will help it tap into additional customers from there. I will update the quarterly submarket analysis to reflect a Washington D.C./Baltimore submarket for the end of the year.

Japan also pressed forward with integrated resort legislation, but there are still many unknowns at this point, including how many casinos will be allowed, where they will be, what the gaming tax rate will be, if there will be any restrictions on the size of the casino, and if there will be any entrance fees or patron exclusions. Any and all of these factors can dramatically influence the size and potential profitability of development, so we will continue to monitor the situation as it unfolds. I've visited Japan a couple times in the past few years, and done some initial estimates for clients. Optimistic scenarios certainly support the high-end of development costs that have been bandied about, but we are still in the early stages.

## November 2016 Las Vegas Strip Analysis

November 2016 was fairly similar to November 2015, except that last year had an extra weekend day, and there were likely some collections from last October that got pushed into that month.

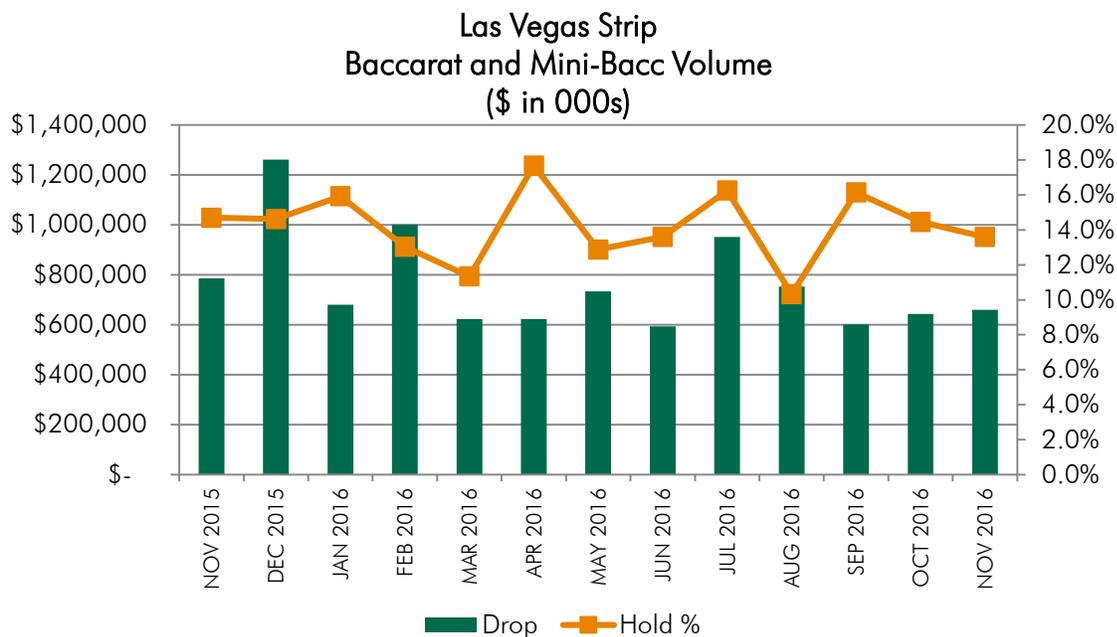
Unadjusted for luck factors and calendar issues, according to the Nevada Gaming Control Board, November 2016 revenue was as follows:

- Las Vegas Strip gaming revenue was \$517.0 million, down -3.5% for the month, but up 0.7% YTD.
- Table games revenue, excluding bacc/mini bacc, was \$150.3 million, up 18.1% for the month, and up 4.3% YTD.
- Bacc/mini bacc revenue was \$89.7 million, down -22.3% for the month, and down -6.3% YTD.
- Slot revenue was \$258.0 million, down -2.7% for the month, but up 2.0% YTD.

Mass market table games (excluding bacc/mini bacc) hold was 17.40% in November 2016, 312 bps above the hold of 14.29% in November 2015 and 208 bps above the trailing twelve-month average. Bacc/mini bacc hold was 13.59%, 110 bps below November 2015, and 56 bps below the trailing twelve-month average.

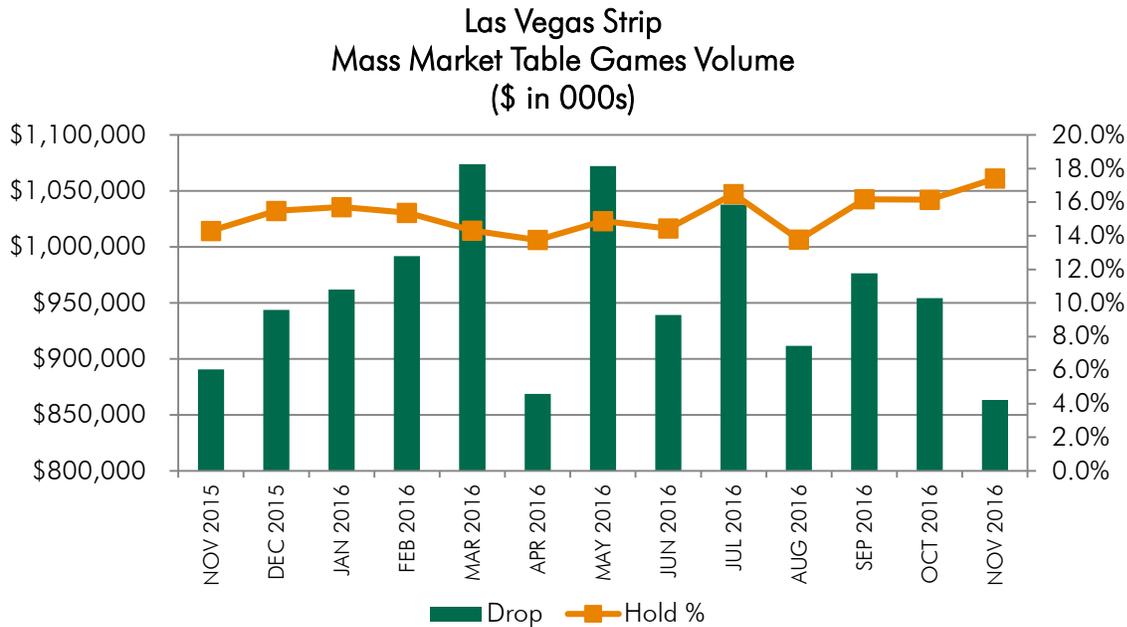
Slot volume was up 1.6% for the month, but is down -0.5% YTD. Hold was 8.06% this month, versus the 8.42% hold of last November.

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



Source: NGCB; CBRE estimates

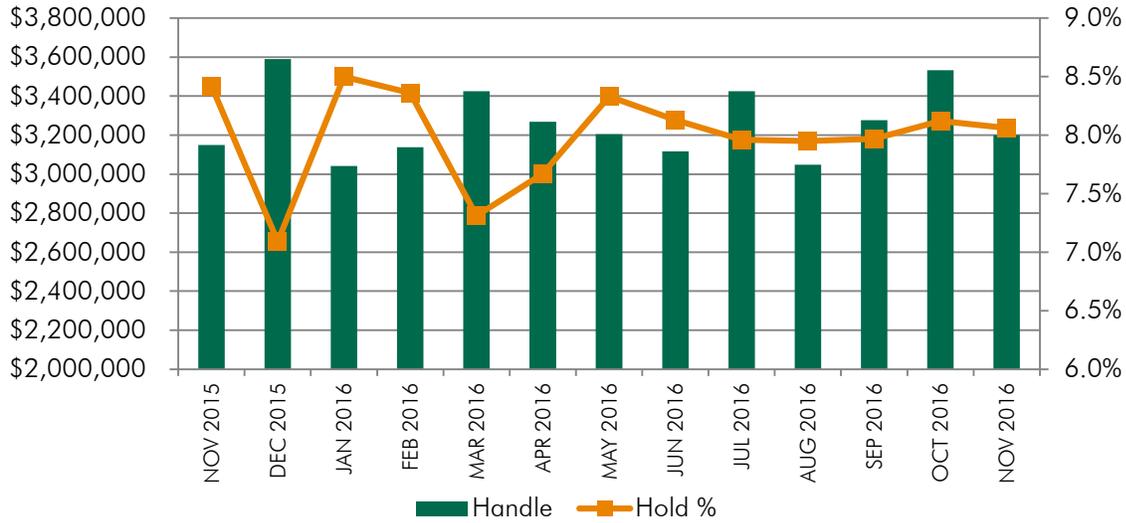
In the trailing twelve months ending November 2016, baccarat volume was down -17.3% over the TTM ending November 2015. Baccarat hold in the current TTM is significantly higher (up by 209 bps) over the previous TTM, but win is down by -3.0% in the period.



Source: NGCB; CBRE estimates

Mass market table games volume was down by -5.4% in the TTM through November 2016. The hold percentage is up by 135 basis points, however, which generates a TTM revenue increase of 3.8%.

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



Source: NGCB; CBRE estimates

Slot volumes are down -0.6% in the TTM comparison, but win is up by 2.3% in the period, due to a 23 bps increase in hold.

### Downtown Las Vegas

Downtown gaming revenue fell 5.3% this month, but it was not enough to dampen what has been a strong year. Table games drop is still down slightly in the TTM comparison (-0.5%), but slot volume and hold are both up, +2.0%, and +22 bps, respectively.

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

### Las Vegas Locals Market

The locals gaming market was up 1.1% this month versus November 2015. Both table games and slot volumes are up in the TTM comparison (+1.5% and +1.8%, respectively).

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

#### Las Vegas Locals Gaming Revenue

Period	Revenue (\$000)	% Change
TTM Ending NOV 2014	\$2,084,973	0.3%
TTM Ending NOV 2015	\$2,155,634	3.4%
TTM Ending NOV 2016	\$2,205,765	2.3%

Source: NGCB; CBRE estimates

## Nevada Statewide

Most submarkets were off from last year on a month-over-month basis, but this November was fairly decent on a historical basis. In the TTM comparison, nearly every submarket in the state is up. Without the Strip, Nevada is up 2.4%.

Area	Trailing Twelve Months			TTM % Change	% of State
	2015 NOV	2016 NOV			
<b>Statewide</b>	<b>\$11,082,534,196</b>	<b>\$11,282,308,546</b>		<b>1.8%</b>	<b>100.0%</b>
<b>Clark County</b>	<b>\$9,586,265,839</b>	<b>\$9,749,438,700</b>		<b>1.7%</b>	<b>86.4%</b>
LV Strip	\$6,302,330,778	\$6,386,085,419		1.3%	56.6%
Downtown	\$541,295,260	\$565,581,028		4.5%	5.0%
North Las Vegas	\$272,774,155	\$279,935,675		2.6%	2.5%
Laughlin	\$472,524,701	\$474,924,198		0.5%	4.2%
Boulder Strip	\$795,797,759	\$805,547,605		1.2%	7.1%
Mesquite	\$114,369,146	\$117,079,649		2.4%	1.0%
Balance of County	\$1,087,174,037	\$1,120,285,128		3.0%	9.9%
<b>Washoe County</b>	<b>\$776,370,011</b>	<b>\$801,108,963</b>		<b>3.2%</b>	<b>7.1%</b>
Reno	\$570,429,657	\$590,158,662		3.5%	5.2%
Sparks	\$122,664,468	\$126,382,417		3.0%	1.1%
North Lake Tahoe	\$24,953,941	\$25,858,964		3.6%	0.2%
Balance of County	\$58,321,945	\$58,708,921		0.7%	0.5%
<b>South Lake Tahoe</b>	<b>\$203,710,342</b>	<b>\$215,653,741</b>		<b>5.9%</b>	<b>1.9%</b>
<b>Elko County</b>	<b>\$266,387,083</b>	<b>\$267,948,409</b>		<b>0.6%</b>	<b>2.4%</b>
Wendover	\$175,433,782	\$175,110,477		(0.2%)	1.6%
Balance of County	\$90,953,301	\$92,837,935		2.1%	0.8%
<b>Carson Valley Area*</b>	<b>\$100,536,678</b>	<b>\$99,842,880</b>		<b>(0.7%)</b>	<b>0.9%</b>
<b>Other</b>	<b>\$149,264,243</b>	<b>\$148,315,849</b>		<b>(0.6%)</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).