

Retail in Casino Environments

- According to the most recently available statistics, the average shopping center in the United States receives 47,019 visits annually.
- The majority of casino properties attract visitation of over 1 million visitors, with destination resorts attracting even more.



Typical Retail Performance

Retail center sales average \$267 to \$288 per square foot, with rental rates averaging 7% to 10% for premium shopping environments

Summary of Results, All Center Types U.S.
(Median Values per Sq. Ft. of Total Occupancy Area)

Component	Super Regional Center	Regional Center	Open Air Centers	Enclosed Malls
Sample Size	148	38	564	177
Total Operating Receipts	\$44.05	\$29.75	\$14.79	\$42.76
Total Rent	\$28.42	\$18.99	\$11.74	\$27.53
Total common area charges	\$7.64	\$5.38	\$1.56	\$7.42
Total other charges	\$5.96	\$2.56	\$1.46	\$5.84
Total miscellaneous income	\$0.96	\$0.44	\$0.09	\$0.87
Total Operating Expenses	\$11.68	\$8.22	\$4.40	\$11.83
Net Operating Balance	\$31.58	\$18.05	\$10.43	\$29.22
Total Retail Sales	\$280.31	\$267.53	\$288.25	\$276.58
Rent to Retail Sales	10.1%	7.1%	4.1%	10.0%
Rent and CAM Charges to Retail Sales	12.9%	9.0%	4.8%	12.0%
Total Occupancy Area (sq. ft.)	1,018,531	492,004	95,448	506,992

Source: SCORE REPORT, International Council of Shopping Centers



Propensity to Shop During Trips

- Numerous surveys conclude that shopping is a popular vacation activity.
- Of the following surveys, the last two surveys imply that casino gamers may be more likely to shop.

Incidence of Shopping During a Trip

	Sample	Region	Shoppers
Independent Survey of Tourists	2,200	North America	46.7%
Las Vegas Convention and Visitors Bureau	3,345	Las Vegas	62.0%
The Innovation Group	2,000	United States	57.6%



Casino Sales Environments

- Sales rates at upscale on-Strip locations, such as the Forum Shops and Grand Canal Shoppes, average over \$1,100 per square foot.
- Other casino environments, including mid-tier shopping in Las Vegas and other regional destinations perform at roughly half this level and on occasion perform similarly.



Summary

As such, operators have been able to extract rents at a similar or even slightly higher rent to sales ratio.

Lease-Rate Comparison Survey

	Select Non-Vegas			
	Premise Retail on Vegas Strip-High	Premise Retail on Vegas Strip-Low	Destination Casino Retail	Enclosed Malls
Rent/Sq. Ft.	\$200	\$135	\$71.39	\$27.53
Estimated Sales/Sq. Ft.	\$1,300-\$1,700	\$900-\$1,000	\$500-\$600	\$1,300-\$1,700
Rent as % of Sales	13.1%	15.2%	13.0%	16.6%

Source: SCORE Report proprietary sources, The Innovation Group
*Compiled from data considering average retail lease rates at a Native American properties in Connecticut and Florida and Scaup Mansueto in Italy.


