

Hot casino growth for Nevada, report says

Written by Administrator
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The state's largest casinos reached the second-highest revenue and income totals in history last year, almost beating the pre-pandemic record set in fiscal year 2018.

The Nevada Gaming Control Board reported Thursday that the state's largest casinos posted net income of \$4.13 billion in the 2022 fiscal year after generating revenue of \$26.36 billion from July 1, 2021 to June 30, 2022.

Administrators noted that accounting methods were slightly changed from 2018.

The 2022 Gaming Abstract, published by the Control Board, is one of the rare reports that include revenue generated from room sales, food and beverage as well as gaming revenue. It also accounts for expenses before taxes and other special charges.

While the 168-page report showed that occupancy rates continued to trail previous years, the average daily room rate set statewide records — just as they have in the Las Vegas market — at \$130.54.

In Clark County, 170 casinos grossing \$1 million or more per year generated net income of \$3.57 billion on revenue of \$23.46 billion, a 72.1 percent year-over-year increase. Strip casinos had \$1.82 billion in net income on revenue of \$17.29 billion, the second-highest totals in history, with revenue up 98.3 percent compared to the same period a year ago.

Downtown Las Vegas hit two records reporting net income of \$269.7 million on revenue of \$1.5 billion, up 45.1 percent from 2021.

Of the 14 submarkets monitored by the Control Board, only one — South Shore Lake Tahoe — showed a revenue decline, by 0.1 percent.

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Michael Lawton, the Control Board's senior economic analyst, said numerous records were achieved in the 2022 fiscal year.

"The Strip accounted for 87.1 percent of the state's \$4.33 billion improvement to net income in fiscal year 2022," Lawton said. "The total revenue generated in all departments was \$17.3 billion, second highest all time, compared with \$8.7 billion last year. The Strip accounted for 83.1 percent of the state's \$10.2 billion increase to total revenue in fiscal year 2022."

Lawton said downtown Las Vegas recorded net income in eight consecutive years, after a streak of six consecutive years of net losses.

Brendan Bussmann, gaming industry analyst with Las Vegas-based B Global, noted that forest fires impacted Lake Tahoe's numbers, but overall, the resort industry is showing resiliency.

"The resiliency of the gaming industry, as it continues to rebound from the pandemic and face continuing challenges with economic uncertainty, shines through with the numbers from 2022," Bussmann said. "While the Tahoe numbers reflect the shutdown during the fire, you would have had an even stronger number without that loss."

"While you can still see the ebb and flow through some of the challenges from a year ago, gaming continues to drive Nevada's recovery forward not just with gaming but also with nongaming and spillover from indirect and induced economic activity," he said.

Other highlights from this year's report:

□ Fifty-six casinos owned by public companies accounted for 67.8 percent of the total gaming revenue.

□ Among the expenses listed by the state's casinos, the largest impact, 10.4 percent, came from employee payroll at \$904.6 million. The state's largest casinos also spent \$19.8 million

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(0.2 percent) on executive officers' salaries, \$226.2 million (2.7 percent) on employee benefits and \$126.2 million (1.5 percent) on payroll taxes. Casinos spent \$119.7 million on guest expenses exclusive of comps.

□ The state's large casinos generated \$10.67 billion in casino revenue, \$2.63 billion in hotel room sales, \$1.7 billion in food sales and \$1.2 billion in beverage sales.

□ On average, the state's large casinos had 111,416 employees with 29,270 at casinos, 19,717 at hotel rooms, 25,768 in the food department, 8,320 in the beverage department, 21,190 in general work positions and 7,151 working in other departments.

□ Large casinos reported 52.6 percent occupancy rate on a total of 46.7 million room nights. The highest occupancy rate, 80.1 percent, was reported in June 2022.

□ The state's large casinos reported making \$95.16 per room per day on table games (including keno and bingo), \$316.16 per room per day on slot machines, \$70.37 per room per day on food sales, \$49.45 per room per day on beverage sales, with an average room department payroll of \$39.66 per room per day.

Contact Richard N. Velotta at rvelotta@reviewjournal.com or 702-477-3893. Follow [@RickVelotta](https://twitter.com/RickVelotta) on Twitter.

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