Las Vegas Economic & Visitor Briefing

GGP

February 1, 2010

Prepared by:

RESTREPO CONSULTING GROUP LLC

Economic Setting: National

Some Important National Indicators

1.	Great Recession	Started 12, 2007	26 months ago
2.	National GDP Growth	12 mos. ending 12/2009	+5.7%
3,	ISM Manufacturing Index	12 mos. ending 12/2009	+70%
4.	Consumer Confidence Index	12 mos. ending 1/2010	+50%
5.	Personal Savings Rate	12 mos. ending -11/2009	+24% to 4.7%
6.	Semiconductor Index	12 mos. ending 1/2010	+57%

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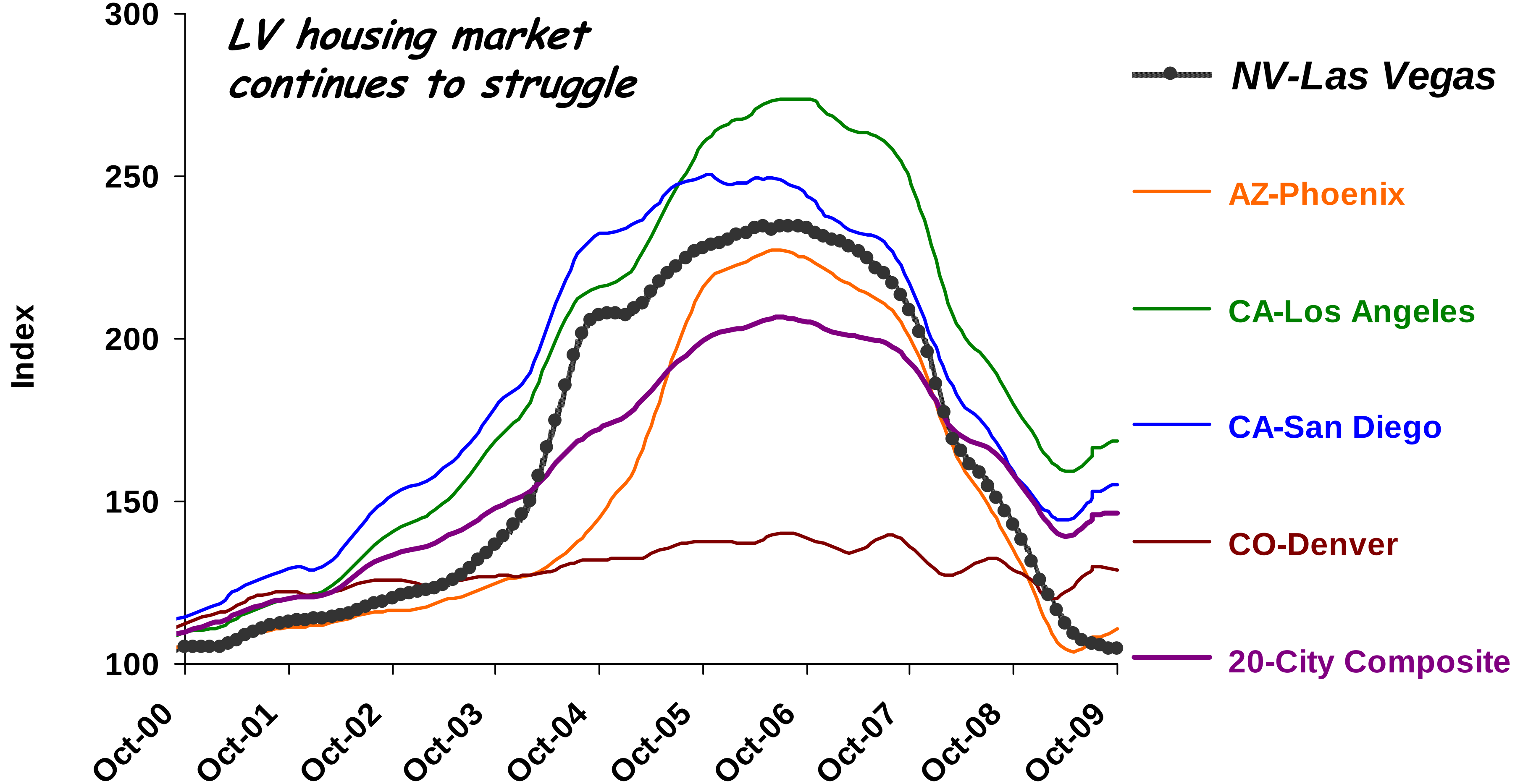
S&P / Case-Shiller Housing Price Index
Select Western U.S. MSAs: 10/2000 – 10/2009



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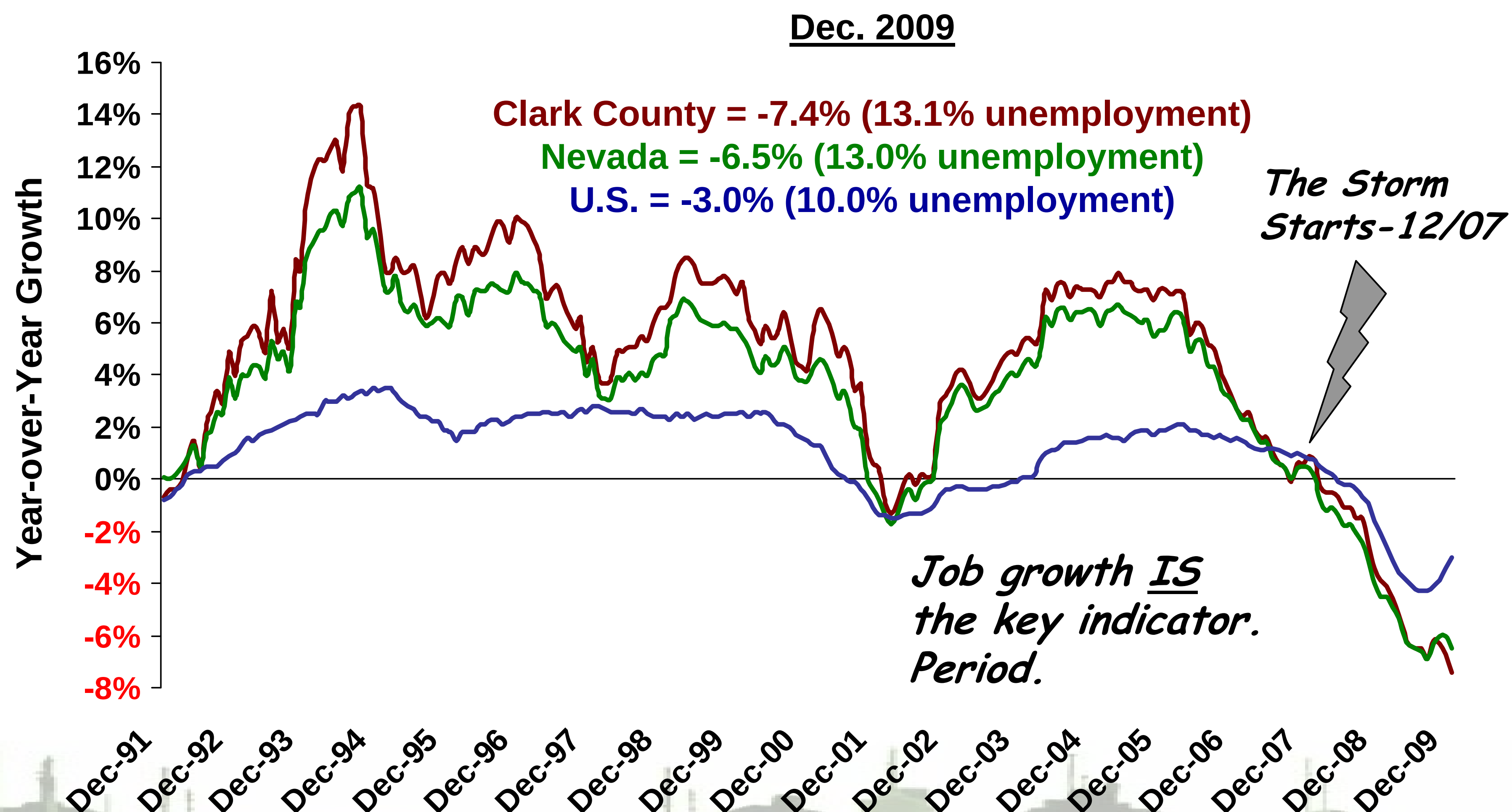
Source: Standard & Poors.

Clark County, Nevada & U.S. Job Growth: 12/1991 – 12/2009



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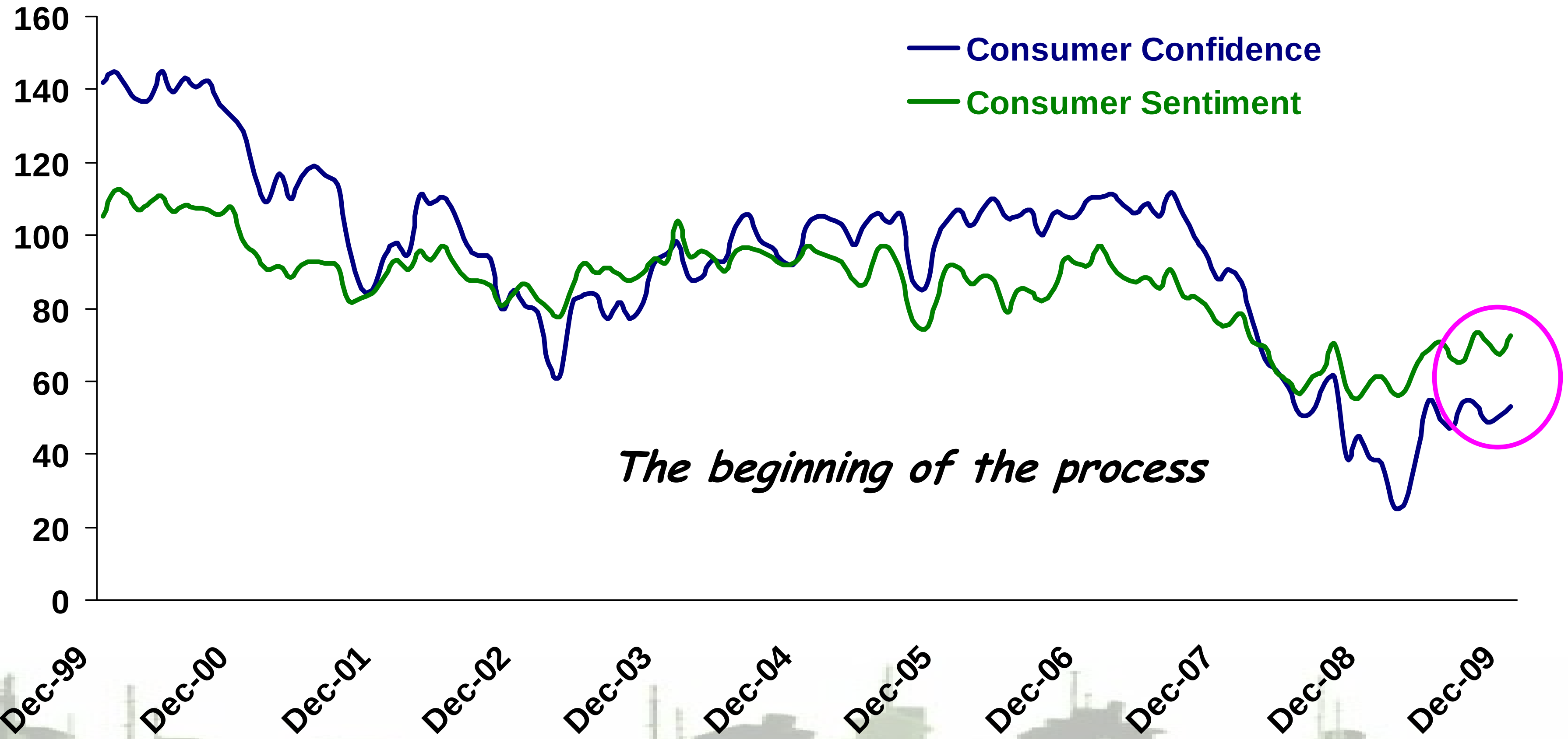
Source: Bureau of Labor Statistics.

Consumer Confidence rises from low-point at beginning of 2009

U.S. Consumer Confidence and Sentiment Indices: 12/1999 – 12/2009



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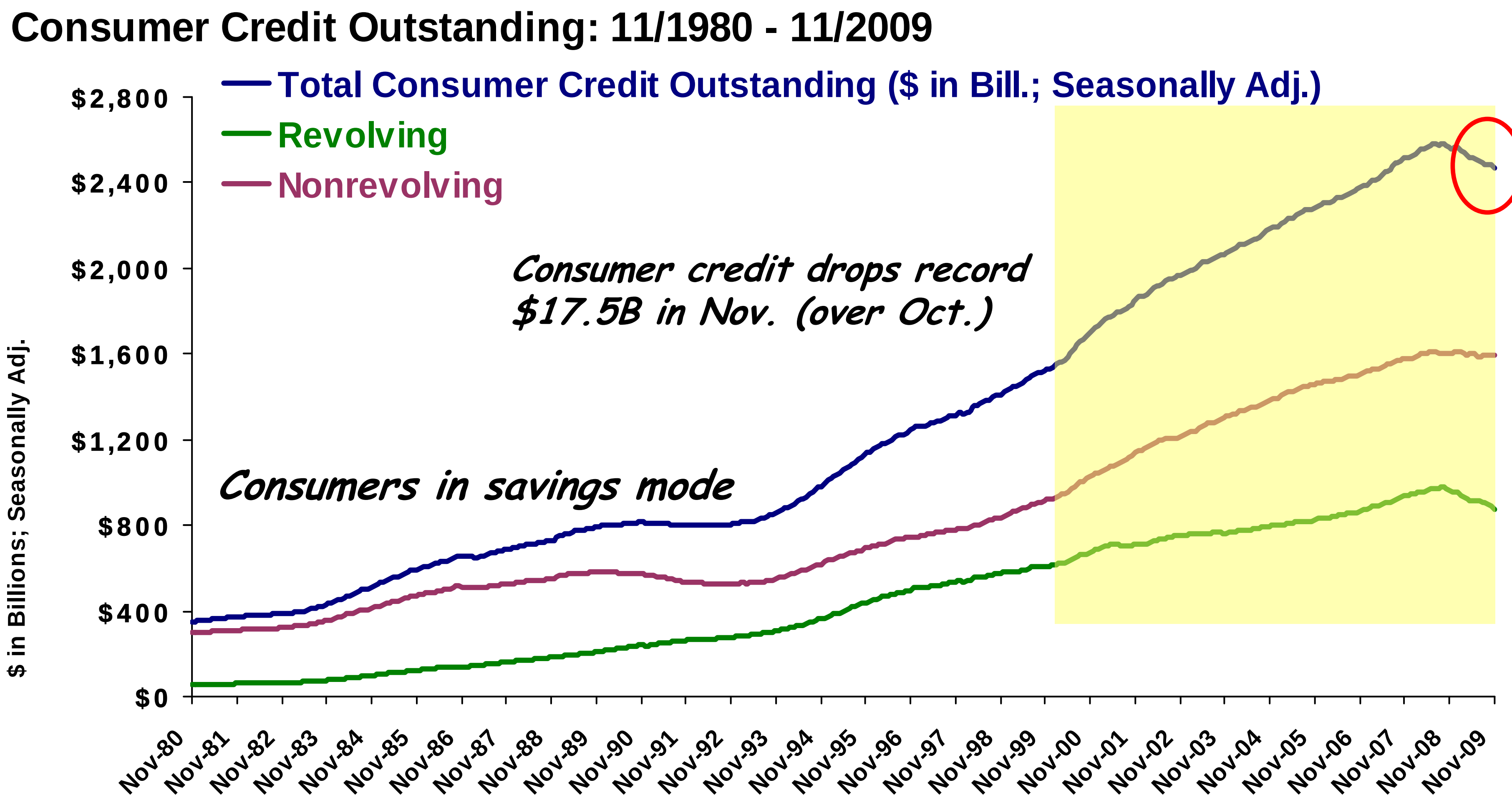
Sources: The Conference Board; Reuters/University of Michigan.

Consumers spent more this past decade - financed by cheap & easy credit



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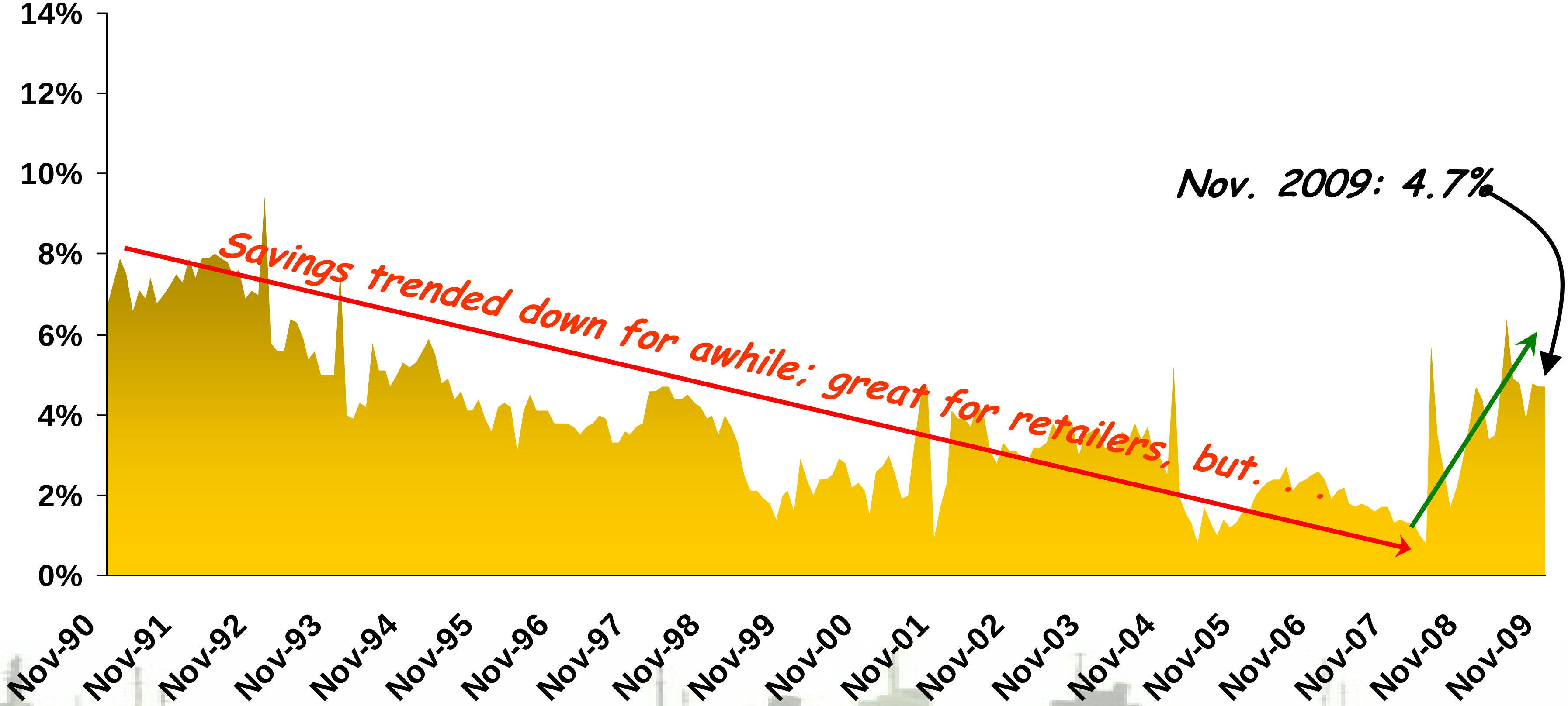
Sources: The Federal Reserve.

Savings going up, because consumers are rebuilding balance sheets

U.S. Personal Savings Rate as % of Disposable Income: 11/1990 – 11/2009



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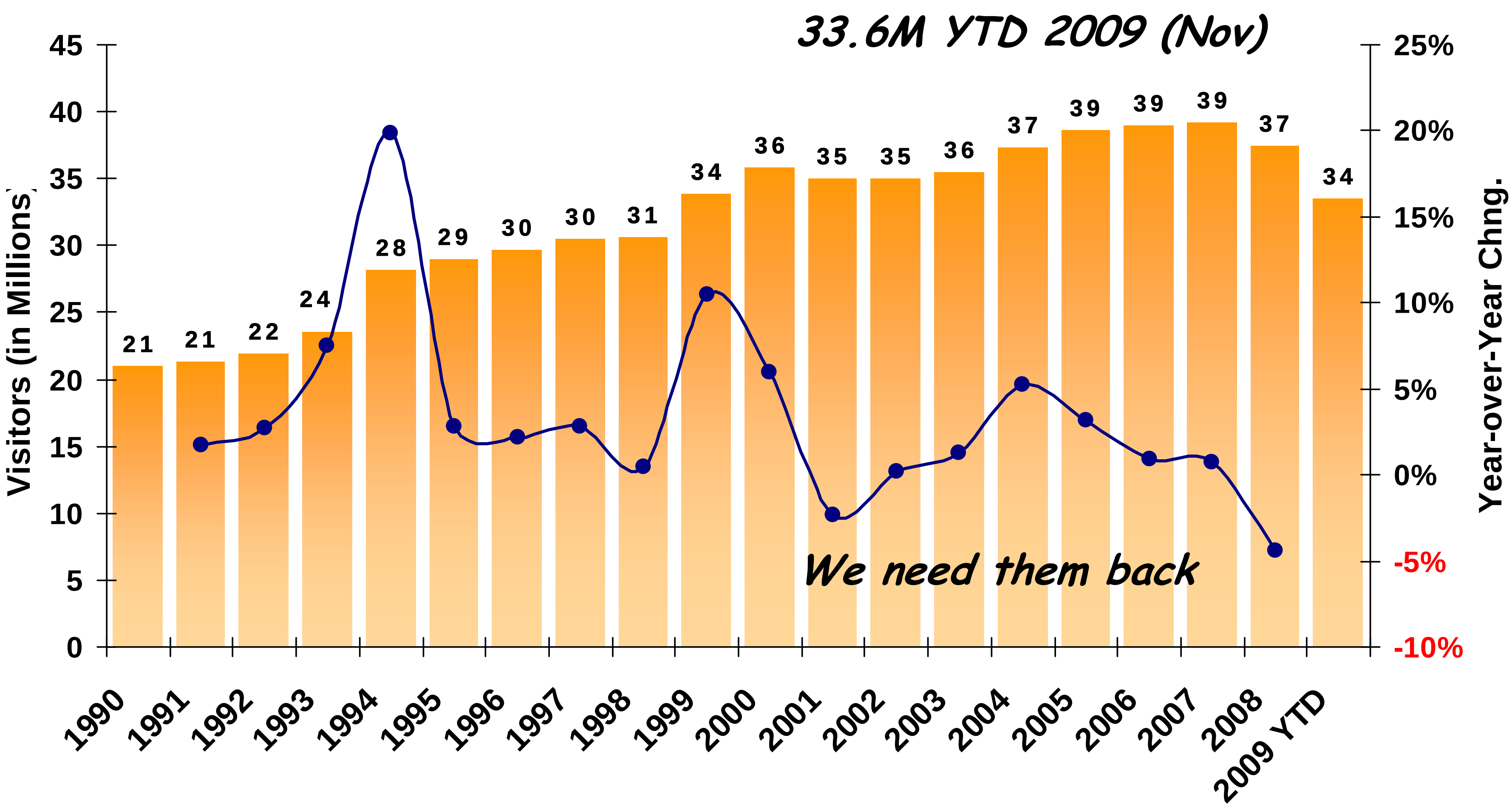
Sources: U.S. Department of Commerce; Bureau of Economic Analysis.

Economic Setting: Las Vegas

Las Vegas Valley Visitor Volume: 1990 – 2009 YTD (Nov)



Sources: Las Vegas Convention & Visitors Authority.

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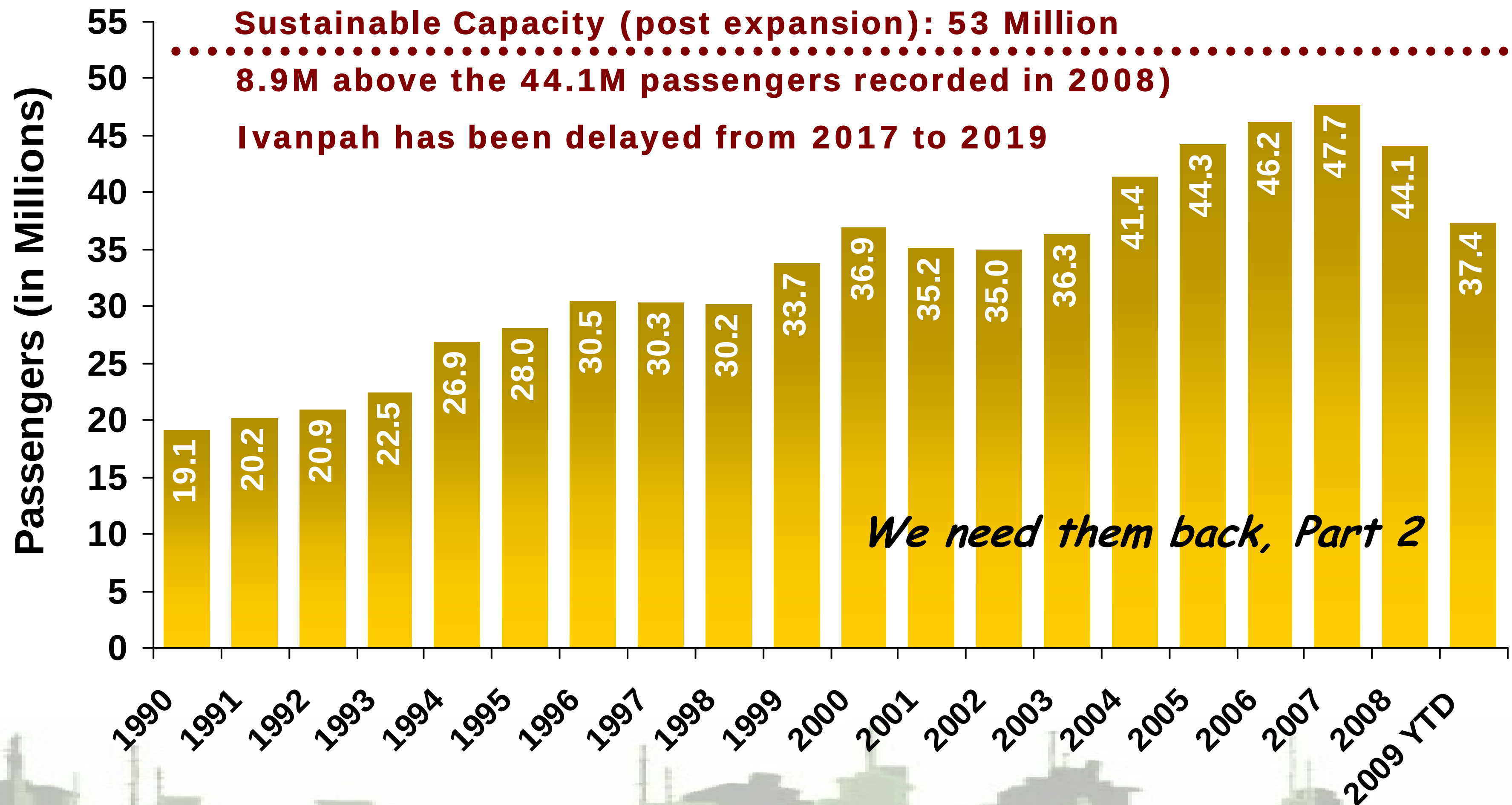
McCarran Annual Passengers:
1990 – 2008, & 2009 YTD (Nov)



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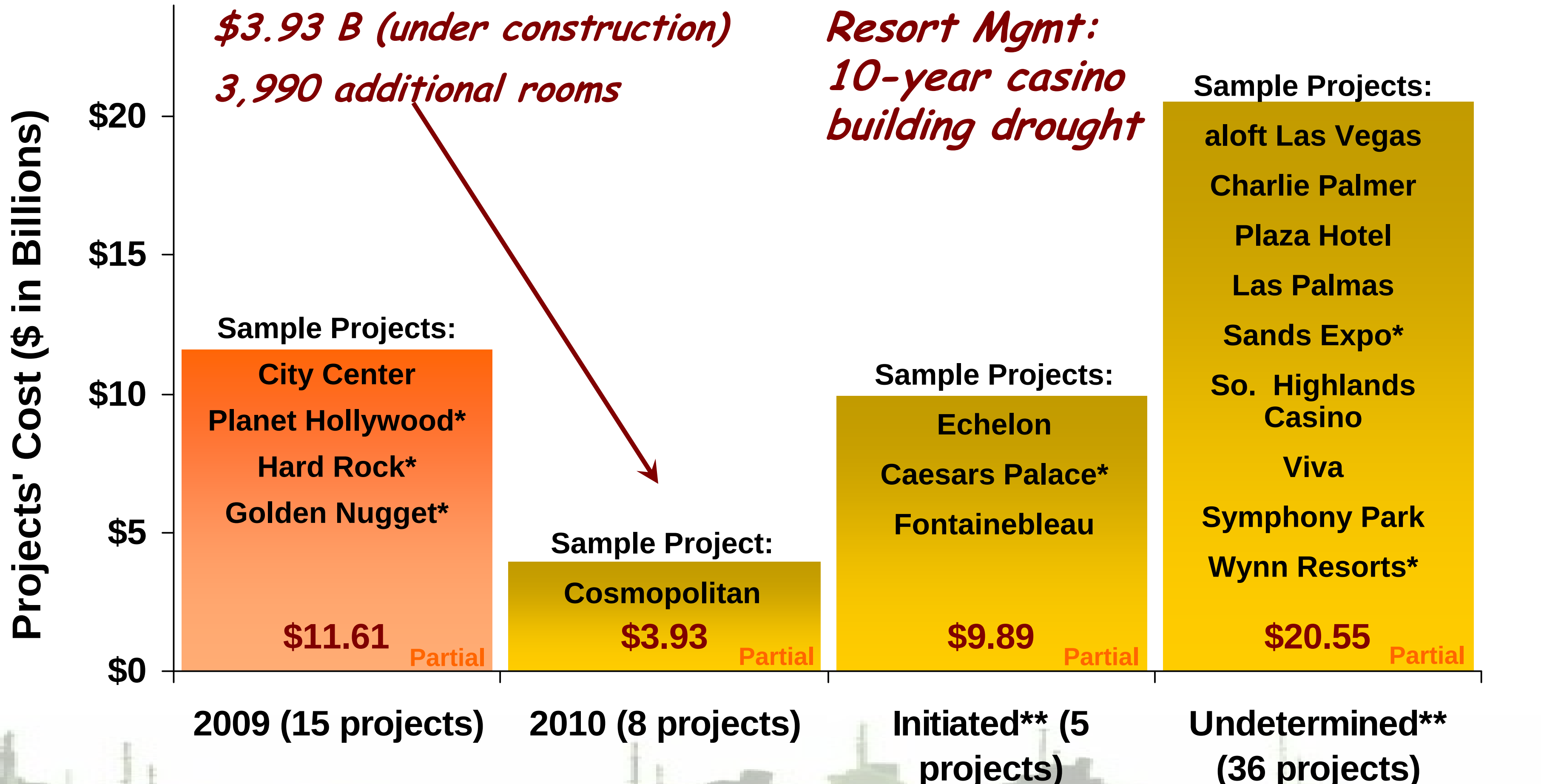
Source: McCarran International Airport; Deutsche Bank.

Resort Industry Investment
Projects' Cost ($B) by Scheduled Completion Year: 2009 – 2010, Initiated & Undetermined



*Expansion/Redevelopment
**Initiated or proposed projects with opening dates to be determined.
Source: Las Vegas Convention & Visitors Authority (as of 11/4/2009).

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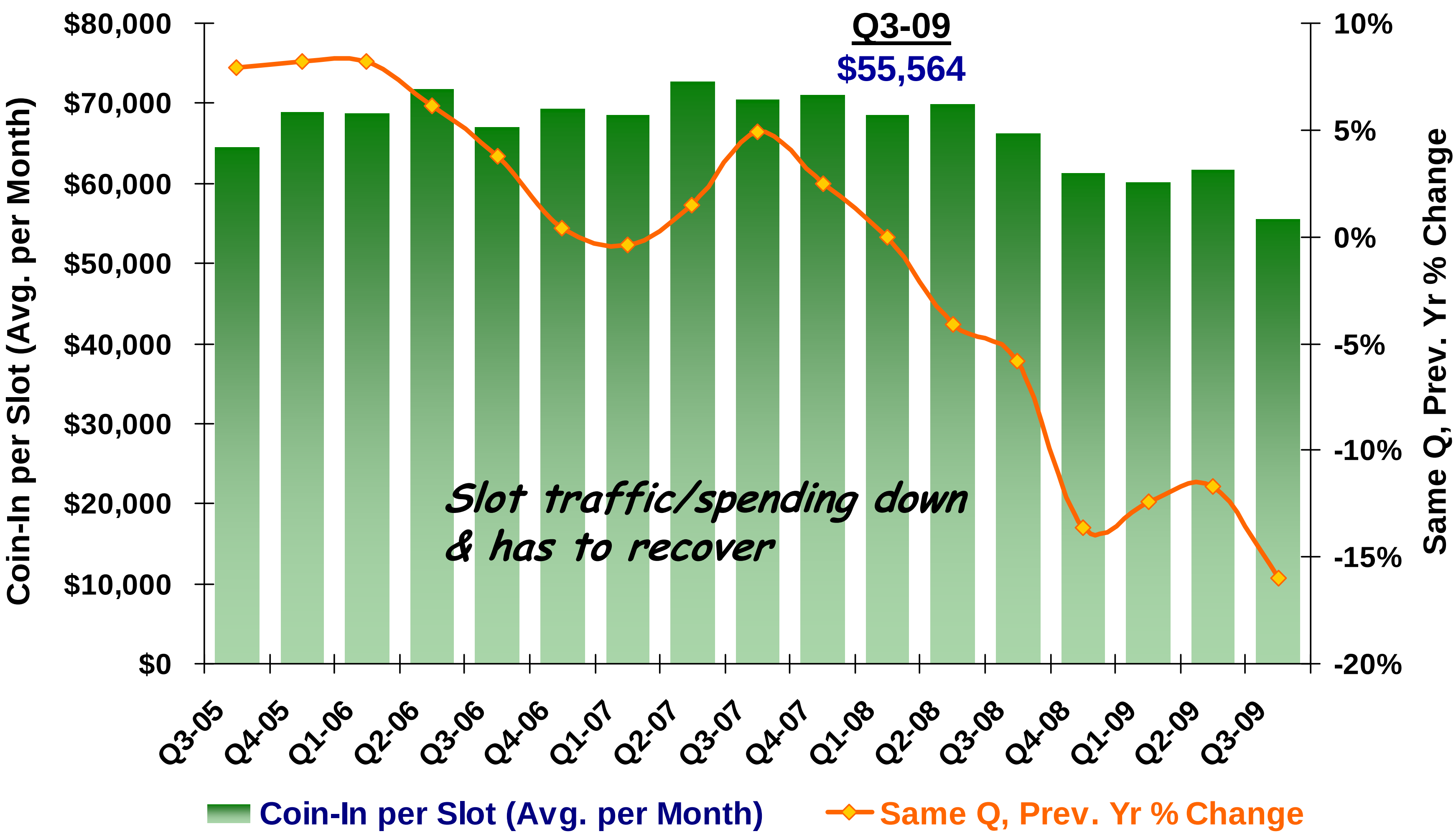
Clark County Gaming Activity – Coin-In per Slot (Avg. per Month): Q3, 2005-Q3/2009



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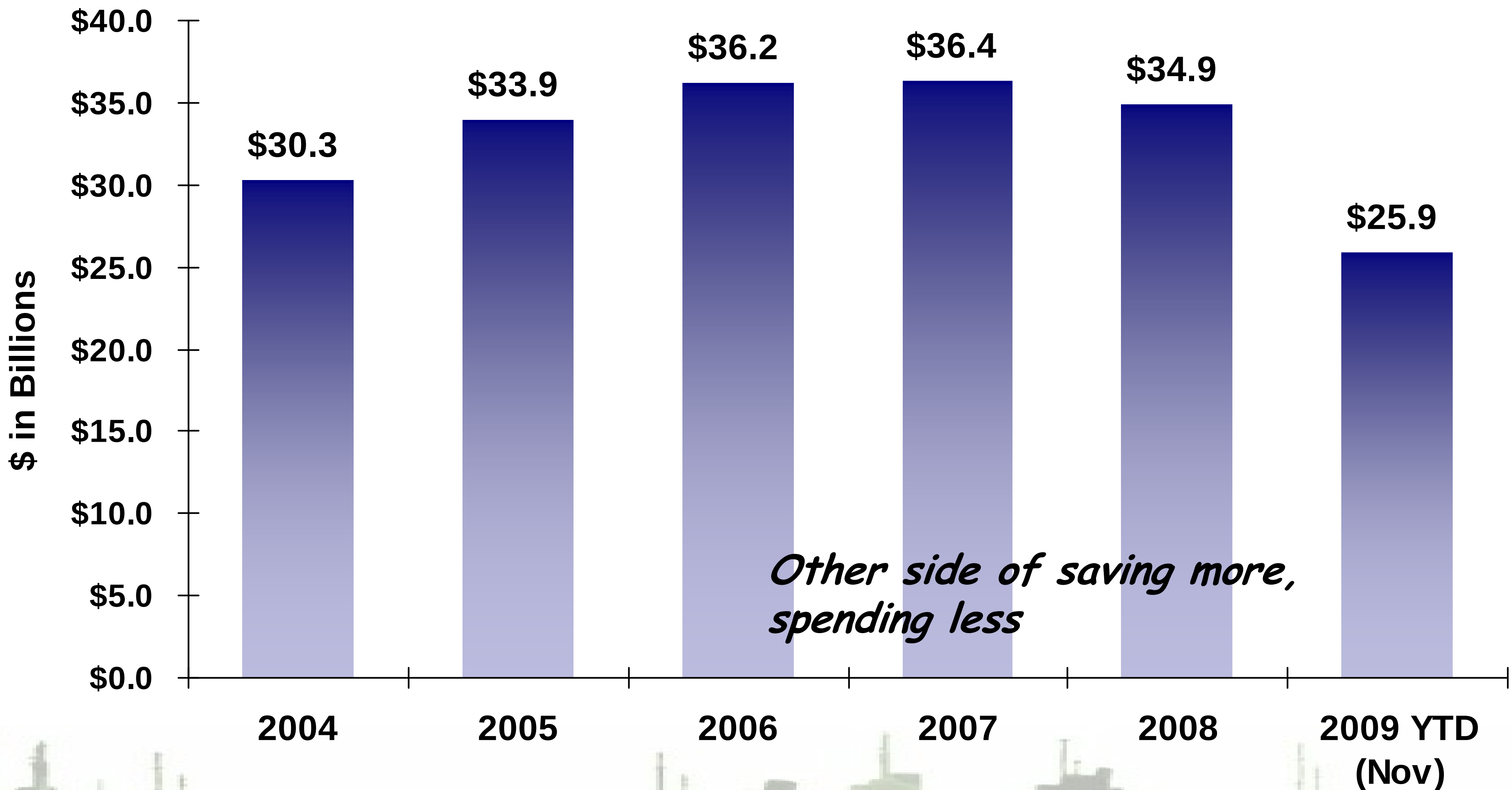
Source: Nevada Gaming & Control Board.

Clark County Taxable Retail Sales: 2004 –2009 YTD (Nov)



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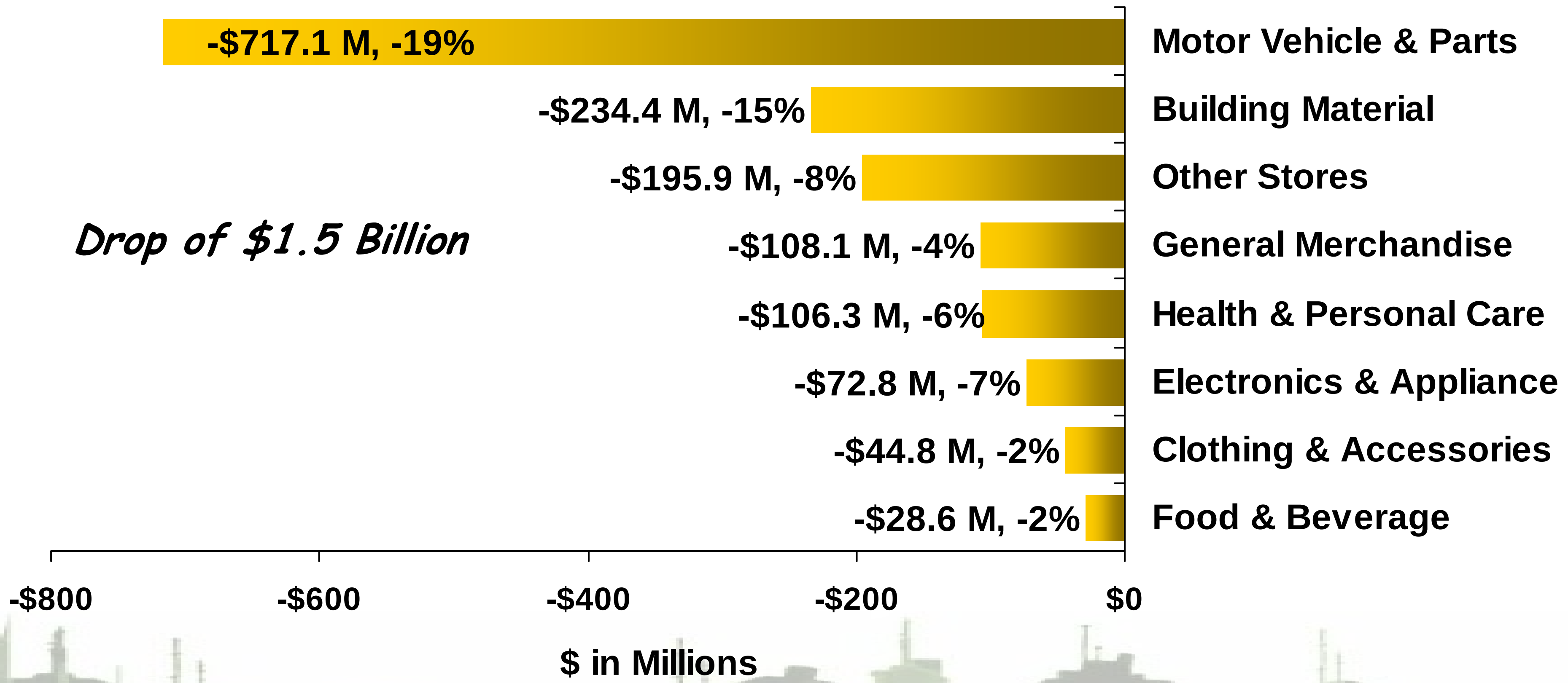
Sources: Nevada Department of Taxation.

When Consumers feel their jobs at risk, they cut back on their spending, YOY-October

Clark County Taxable Retail Sales – by Select Retail Subcategories*: Change Oct. 2009 vs. Oct. 2008



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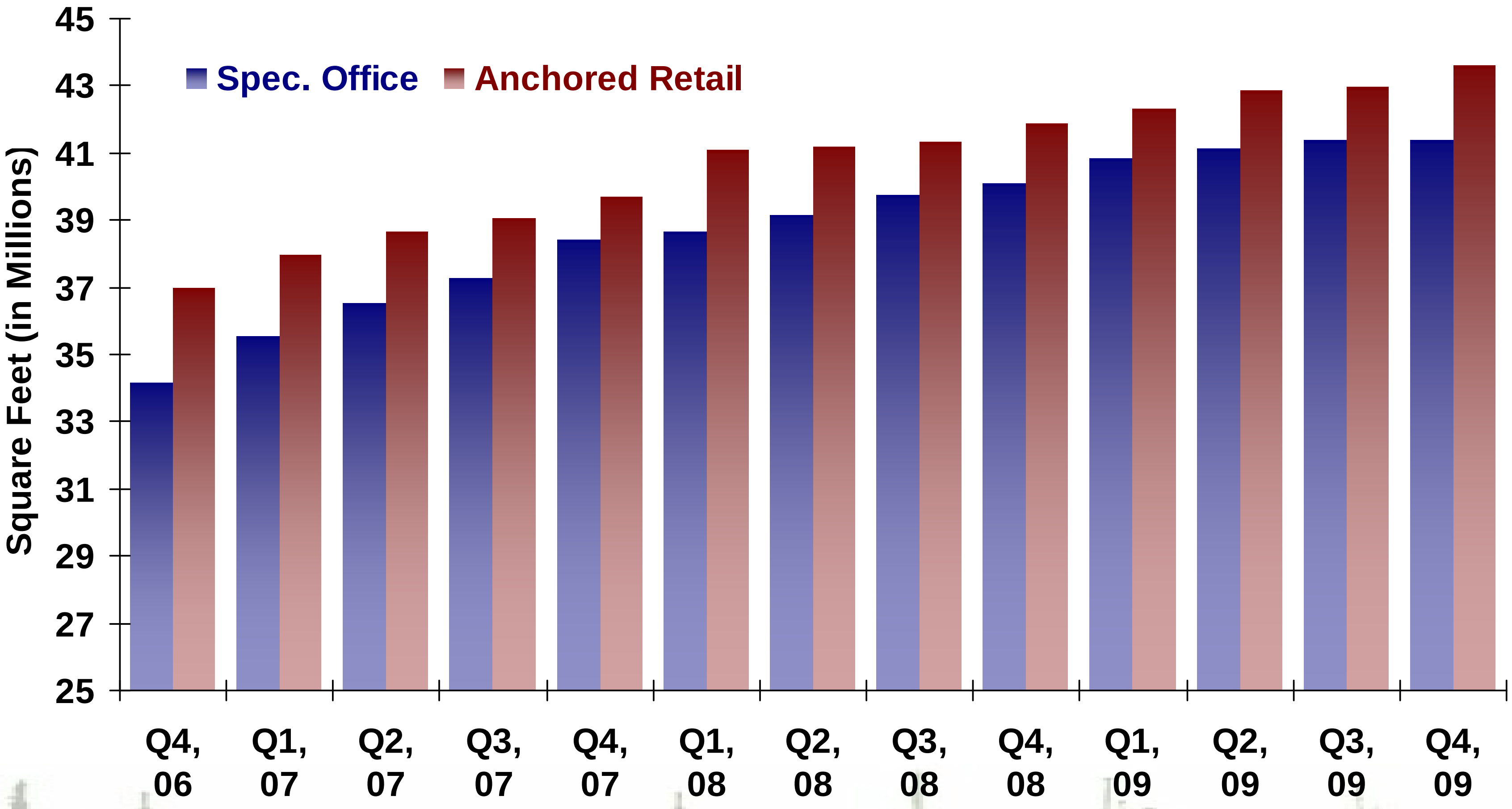
**Retail subcategories selected based on NAICS retail codes.*
Source: Nevada Department of Taxation.

Las Vegas Valley Commercial Inventory
Spec. Office & Anchored Retail Space: Q4, 06 – Q4, 09



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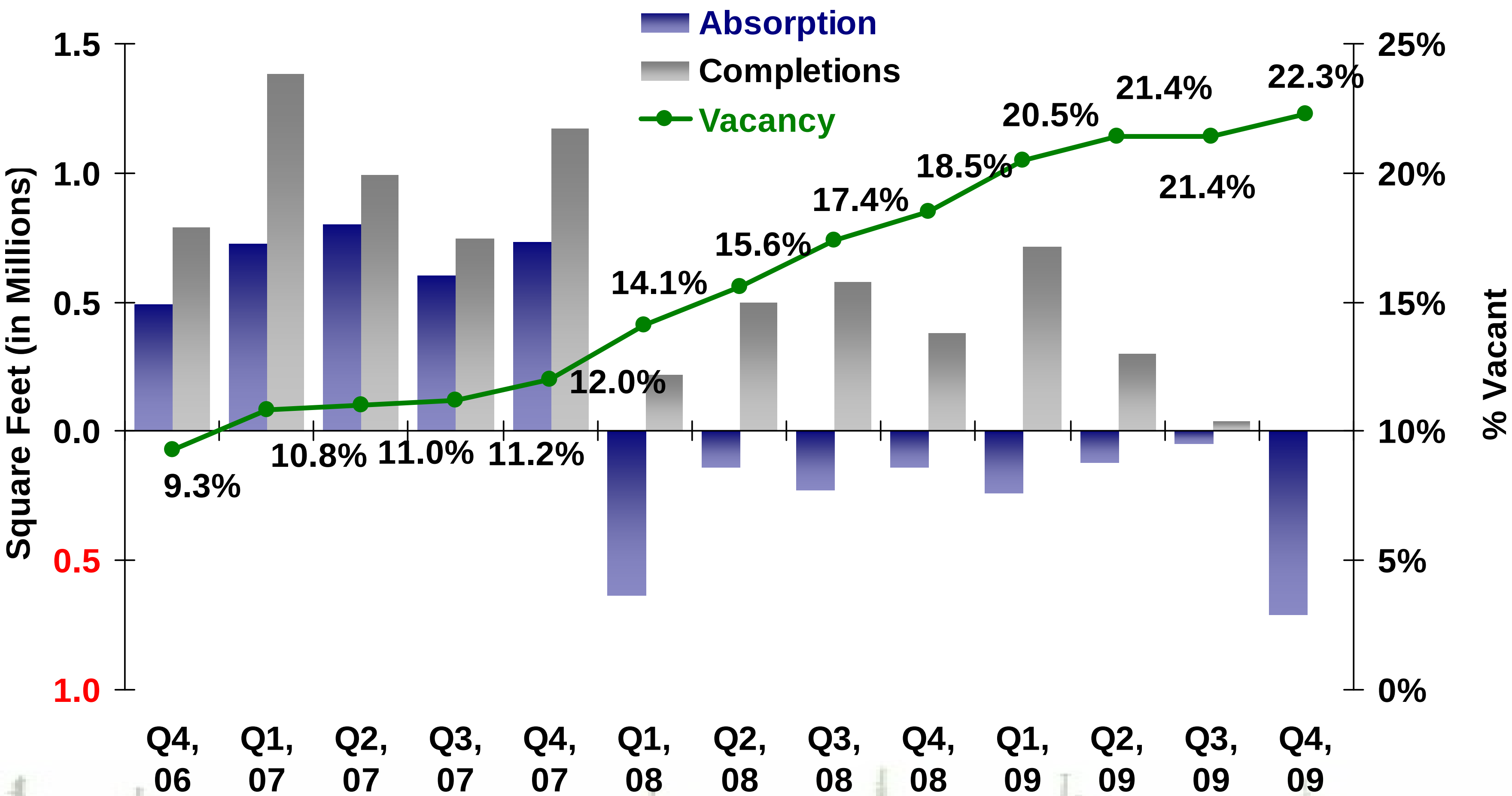
Source: Restrepo Consulting Group.

Las Vegas Valley Spec. Office Market

Vacancy, Absorption & Completion Trends: Q4, 06 – Q4, 09



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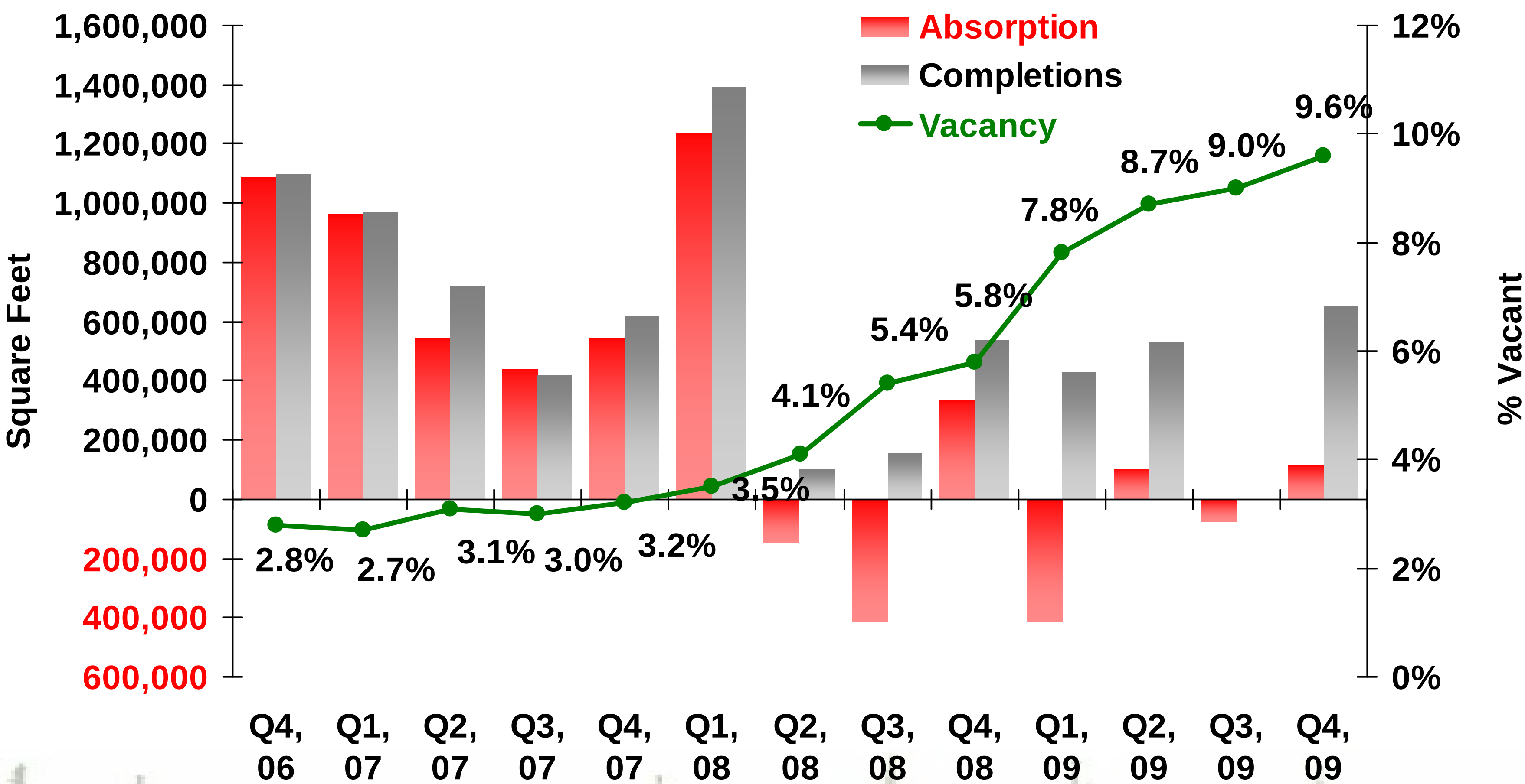
Source: Restrepo Consulting Group.

Las Vegas Valley Anchored Retail Market

Vacancy, Absorption & Completion Trends: Q4, 06 – Q4, 09



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Source: Restrepo Consulting Group.

Visitor Profile

1. Visitor Demographic
2. Reasons For Visiting
3. Travel Planning
4. Trip Characteristics & Expenditures
5. Gaming Behavior & Budgets
6. Entertainment
7. Visitor Satisfaction

Visitor Profile

1. Visitor Demographic

Reasons For Visiting

Travel Planning

Trip Characteristics & Expenditures

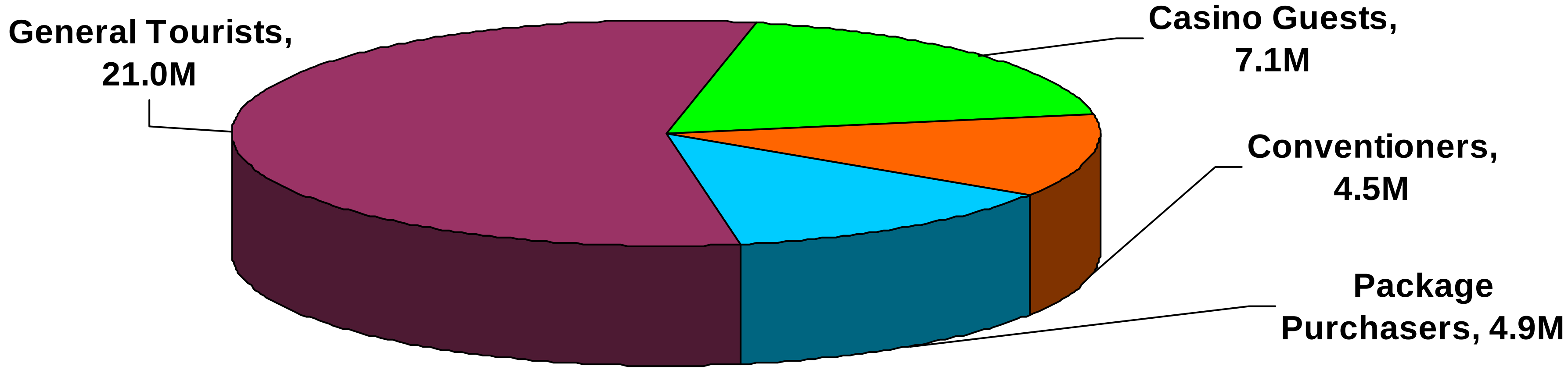
Gaming Behavior & Budgets

Entertainment

Visitor Satisfaction

2008 Visitor Market Segment

37.5M Visitors in 2008



Segment	Visitors Who:	%
Conventioners	Attended a convention/trade show/corporate meeting	12
Package Purchasers	Purchased a hotel/transp./amenities package or a travel group tour	13
Casino Guests	Paid a casino room rate (either a regular rate or casino complimentary). Marketed to by casinos.	19
General Tourists	Are not Conventioners, Package Purchasers, or Casino Guests. Includes those staying in RV parks, with friends/relatives, & day trippers.	56

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Sources: Las Vegas Convention & Visitors Authority.

Las Vegas Visitors Demographic Profile: 2008

Gender	%	Education	%
Male	51	High school or less	28
Female	49	Some college/trade school	21
Marital Status	**%**	College graduate	45
Married	80	Trade/vocational school	7
Single	13	**Age**	**%**
Separated/Divorced	5	21 - 29	10
Widowed	2	30 - 39	15
Employment	**%**	40 - 49	21
Employed	66	50 - 59	22
Unemployed	1	60 - 64	11
Student	2	65+	22
Retired	28	*Average Age*	*51*
Homemaker	4		

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**Note: Respondent base size = 3,601.*
Total may not add to 100% due to rounding or because multiple responses were permitted.
Source: Las Vegas Convention & Visitors Authority - 2008 Las Vegas Visitor Profile.

Las Vegas Visitors Demographic Profile: 2008 – Cont.'d

Ethnicity	**%**
White	***90***
African American/Black	**4**
Asian/Asian American	**2**
Hispanic/Latino	**4**
Other	**0**
Household Income	**%**
Less than $20,000	**1**
$20,000 - $39,999	**5**
$40,000 - $59,999	**18**
$60,000 - $79,999	**24**
$80,000 or more	***41***
No answer	**12**

Visitor Origin	**%**
United States	**85**
Eastern	**8**
Southern	**13**
Midwest	**12**
Western	***52***
International	**15**

Eastern states: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island & Vermont. **Southern States**: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, N. Carolina, Oklahoma, S. Carolina, Tennessee, Texas, Virginia & W. Virginia. **Midwestern states**: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, N. Dakota, Ohio, S. Dakota & Wisconsin. Western states: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada (excluding Clark County), New Mexico, Oregon, Utah, Washington & Wyoming.

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*Note: Respondent base size = 3,601.
Total may not add to 100% due to rounding or because multiple responses were permitted.
Source: Las Vegas Convention & Visitors Authority - 2008 Las Vegas Visitor Profile.

Visitor Profile

1. Visitor Demographic
2. Reasons For Visiting
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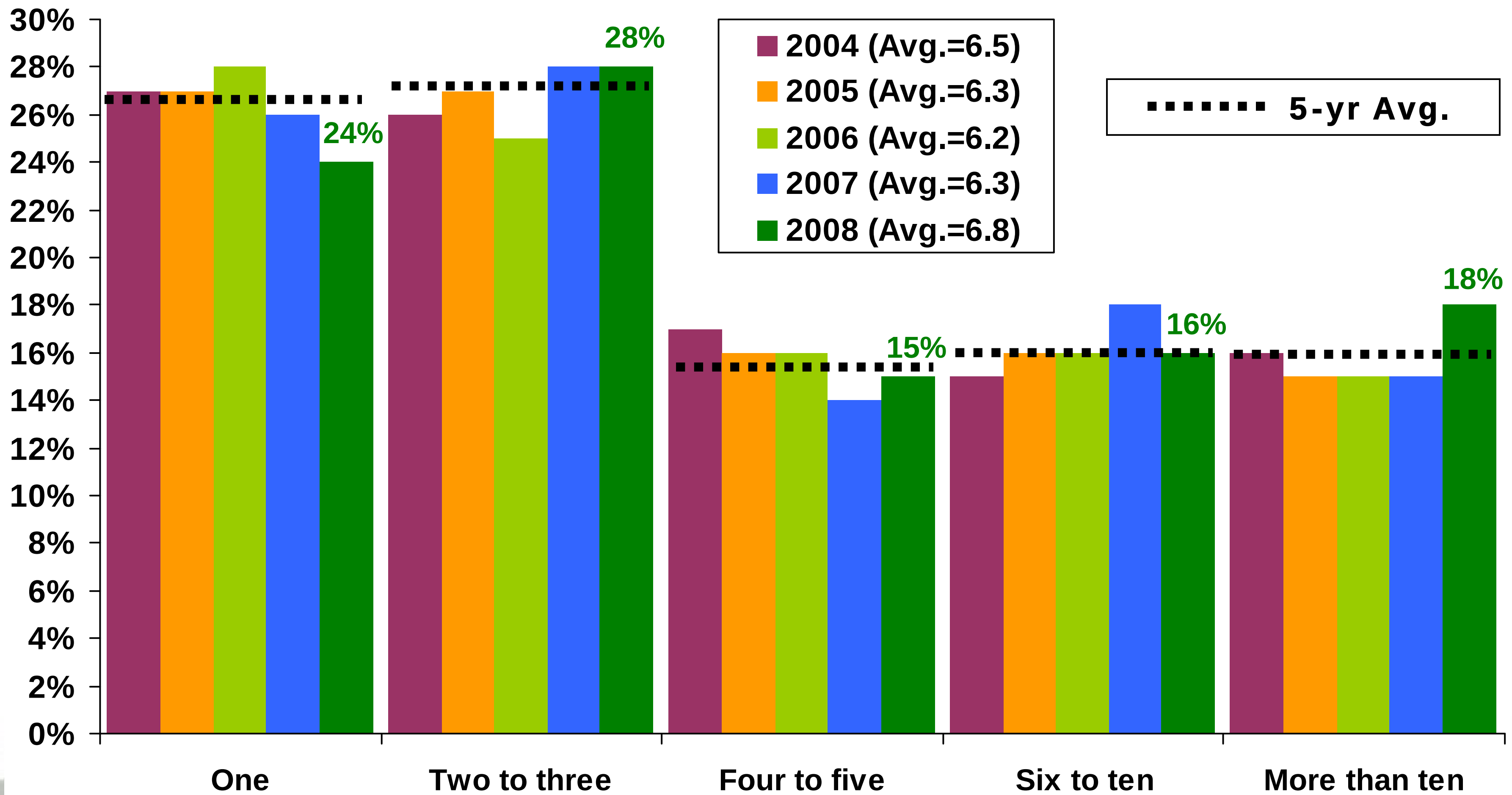
7. Visitor Satisfaction

Frequency of Visits in Past Five Years (Among All 2004 – 2008 Visitors)



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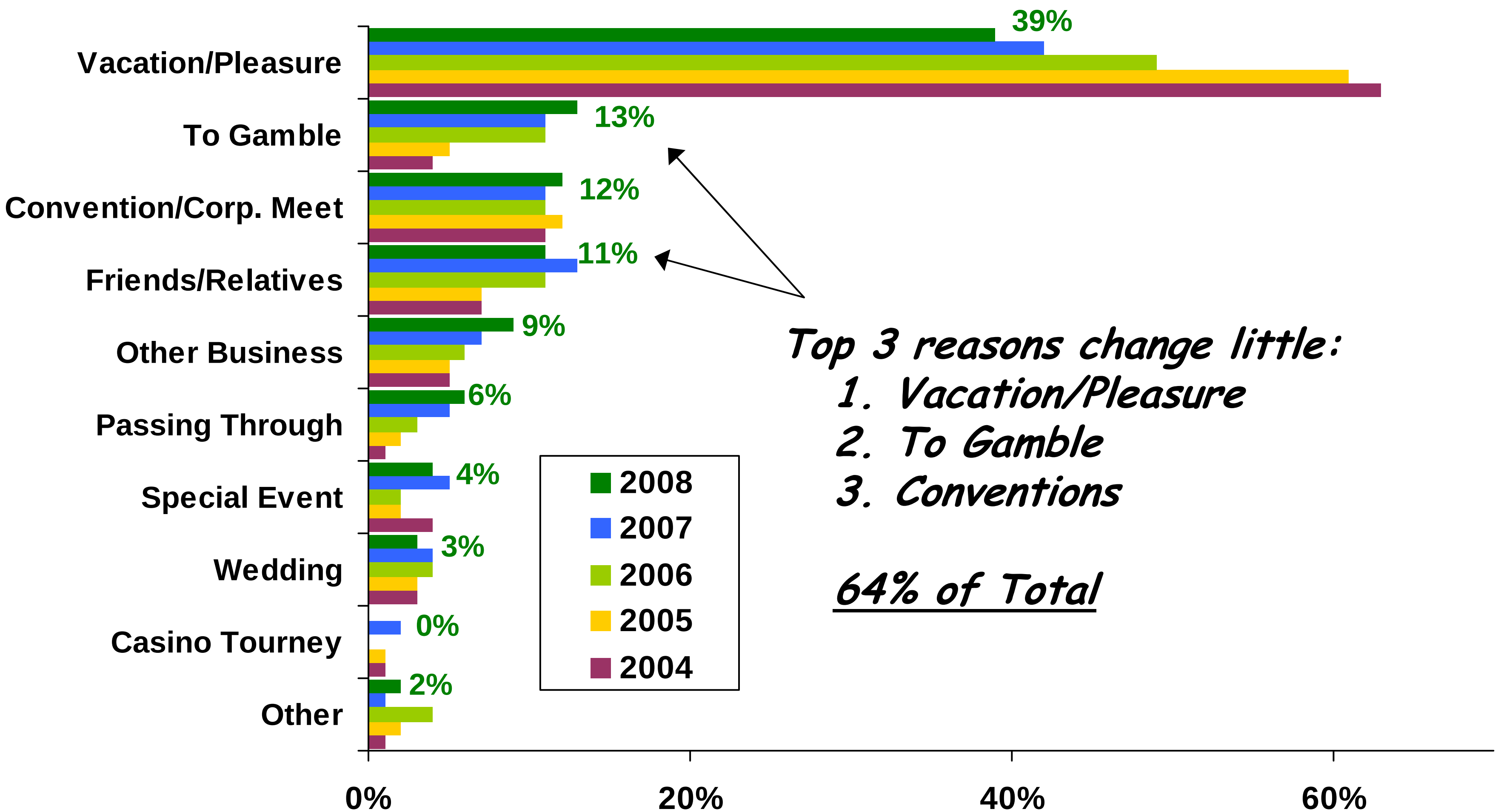
Source: LVCVA 2008 Las Vegas Visitor Profile Annual Report.

Primary Purpose Of Current Visit (Among All 2004 – 2008 Visitors)



Top 3 reasons change little:

1. *Vacation/Pleasure*
2. *To Gamble*
3. *Conventions*

64% of Total

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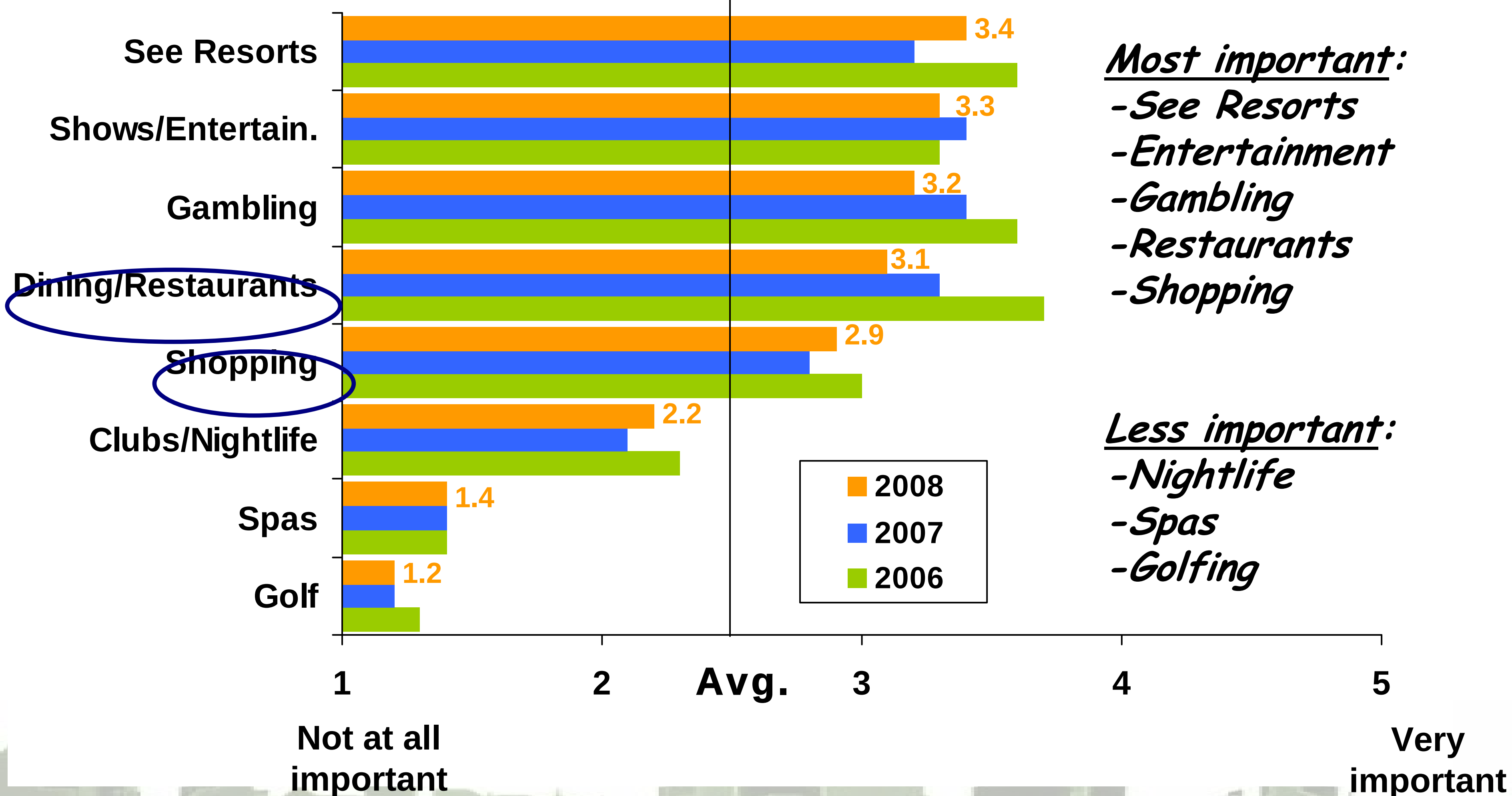
Source: LVCVA 2008 Las Vegas Visitor Profile Annual Report.

Importance of Factors in Deciding to Visit Las Vegas (Among Vacation/Pleasure Visitors)



Most important:
-See Resorts
-Entertainment
-Gambling
-Restaurants
-Shopping

Less important:
-Nightlife
-Spas
-Golfing

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Source: LVCVA 2008 Las Vegas Visitor Profile Annual Report.

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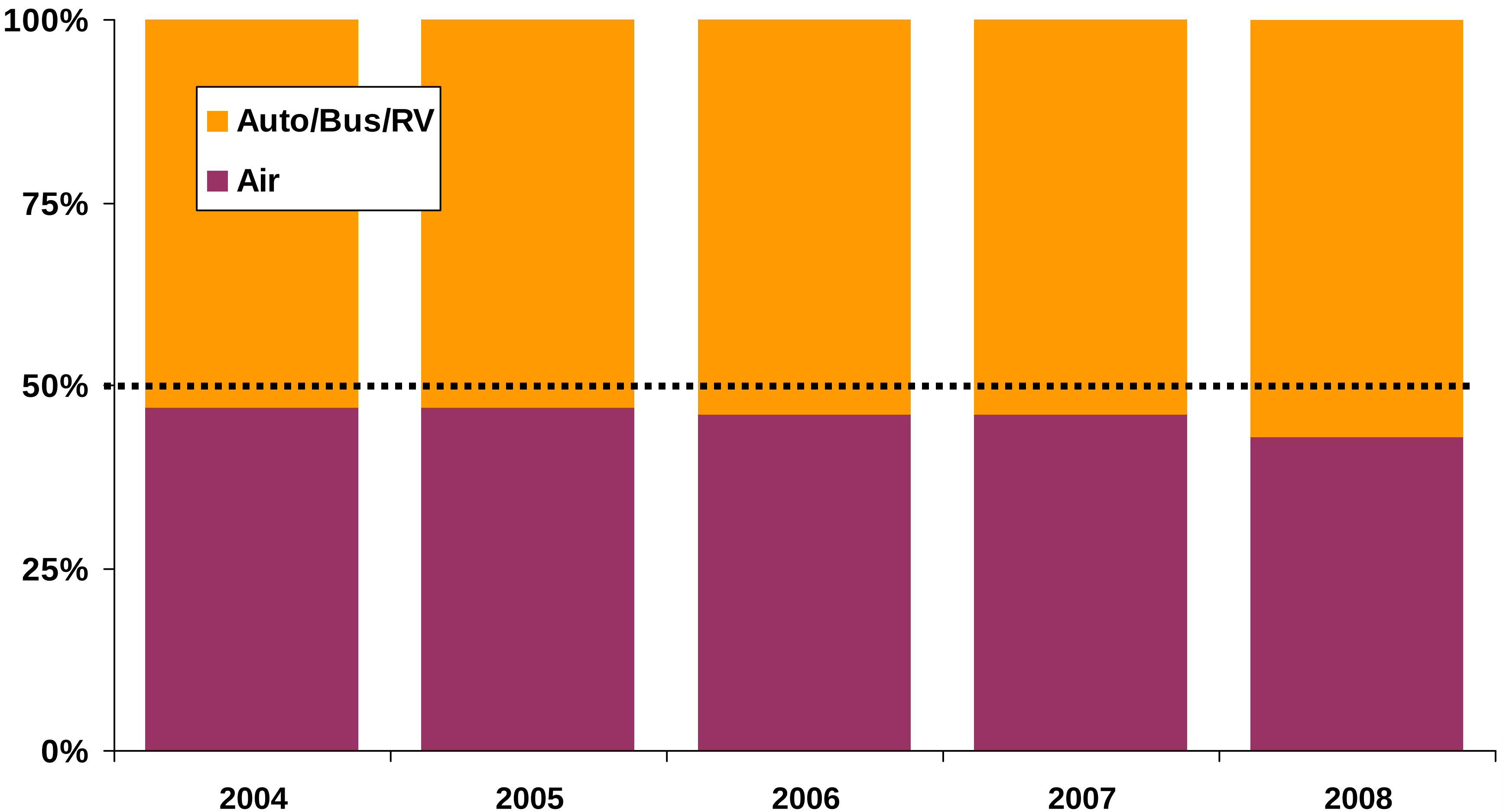
Transportation to Las Vegas (2004 – 2008 Visitors)



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Source: LVCVA 2008 Las Vegas Visitor Profile Annual Report.

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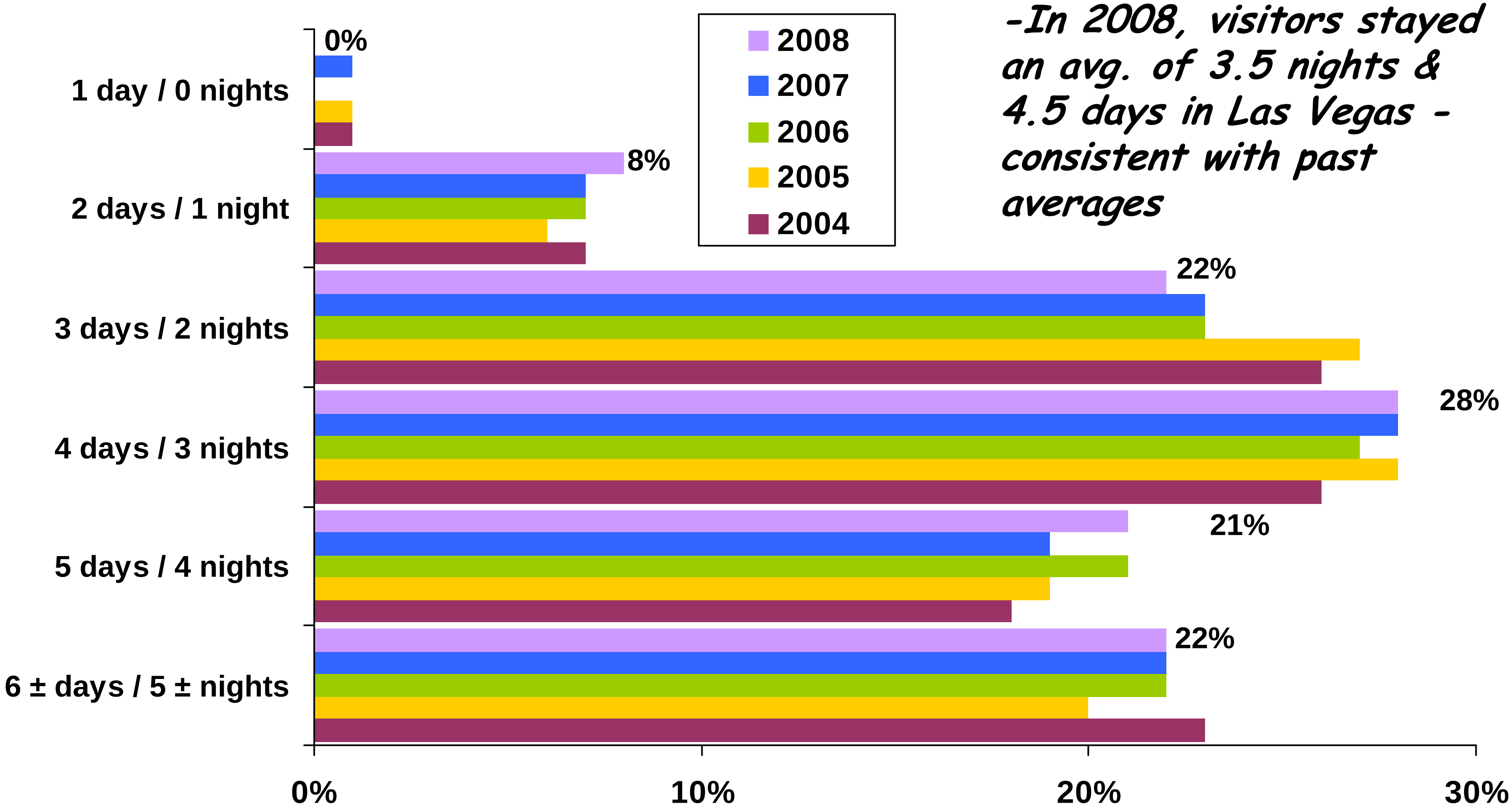
Nights & Days Stayed
(Among 2004 – 2008 Visitors)



-In 2008, visitors stayed an avg. of 3.5 nights & 4.5 days in Las Vegas - consistent with past averages

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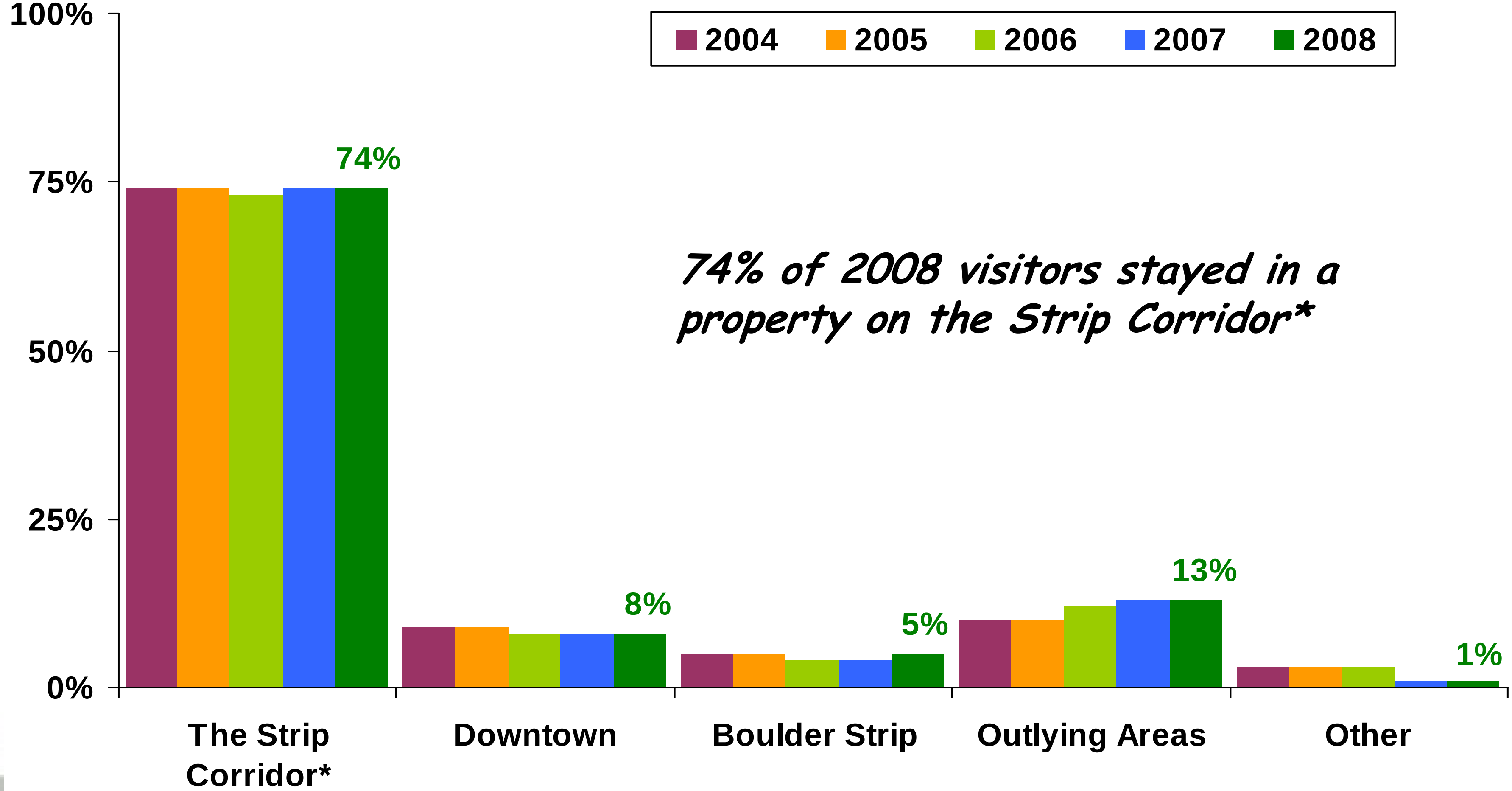
Source: LVCVA 2008 Las Vegas Visitor Profile Annual Report.

Location of Lodging
(Among 2004 – 2008 Visitors)



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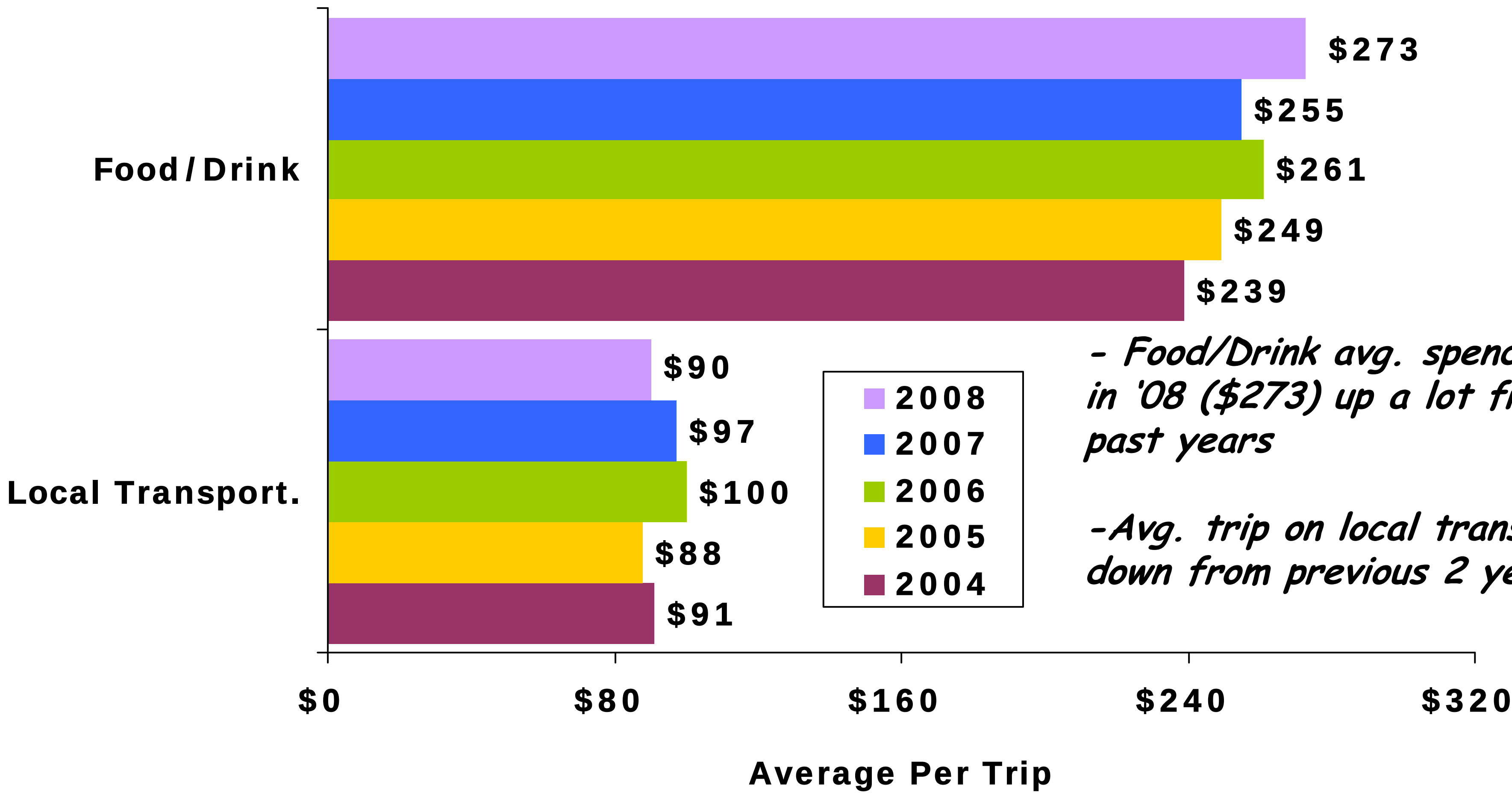
**Properties located directly on LV Blvd South up to the Stratosphere, as well as properties near the Strip, between Valley View Road & Paradise Road.*
Source: LVCVA 2008 Las Vegas Visitor Profile Annual Report.

Average Trip Spending on Food/Drink & Local Transportation (2004 – 2008 Visitors)



- Food/Drink avg. spending in '08 ($273) up a lot from past years

-Avg. trip on local transp. down from previous 2 years

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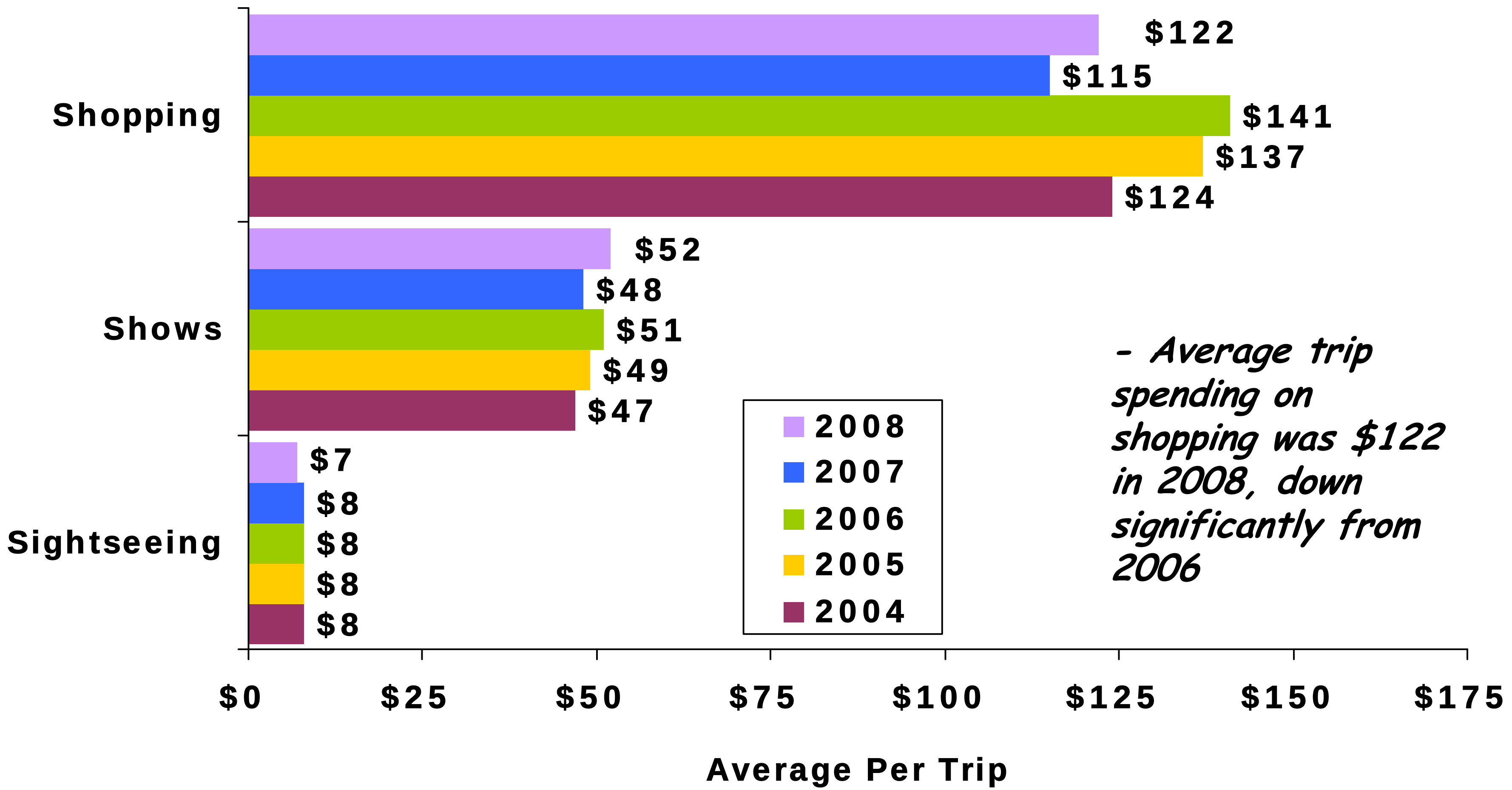
Source: LVCVA 2008 Las Vegas Visitor Profile Annual Report.

Average Trip Spending on Shopping, Shows & Sightseeing (2004 – 2008 Visitors)



- Average trip spending on shopping was $122 in 2008, down significantly from 2006

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Source: LVCVA 2008 Las Vegas Visitor Profile Annual Report.

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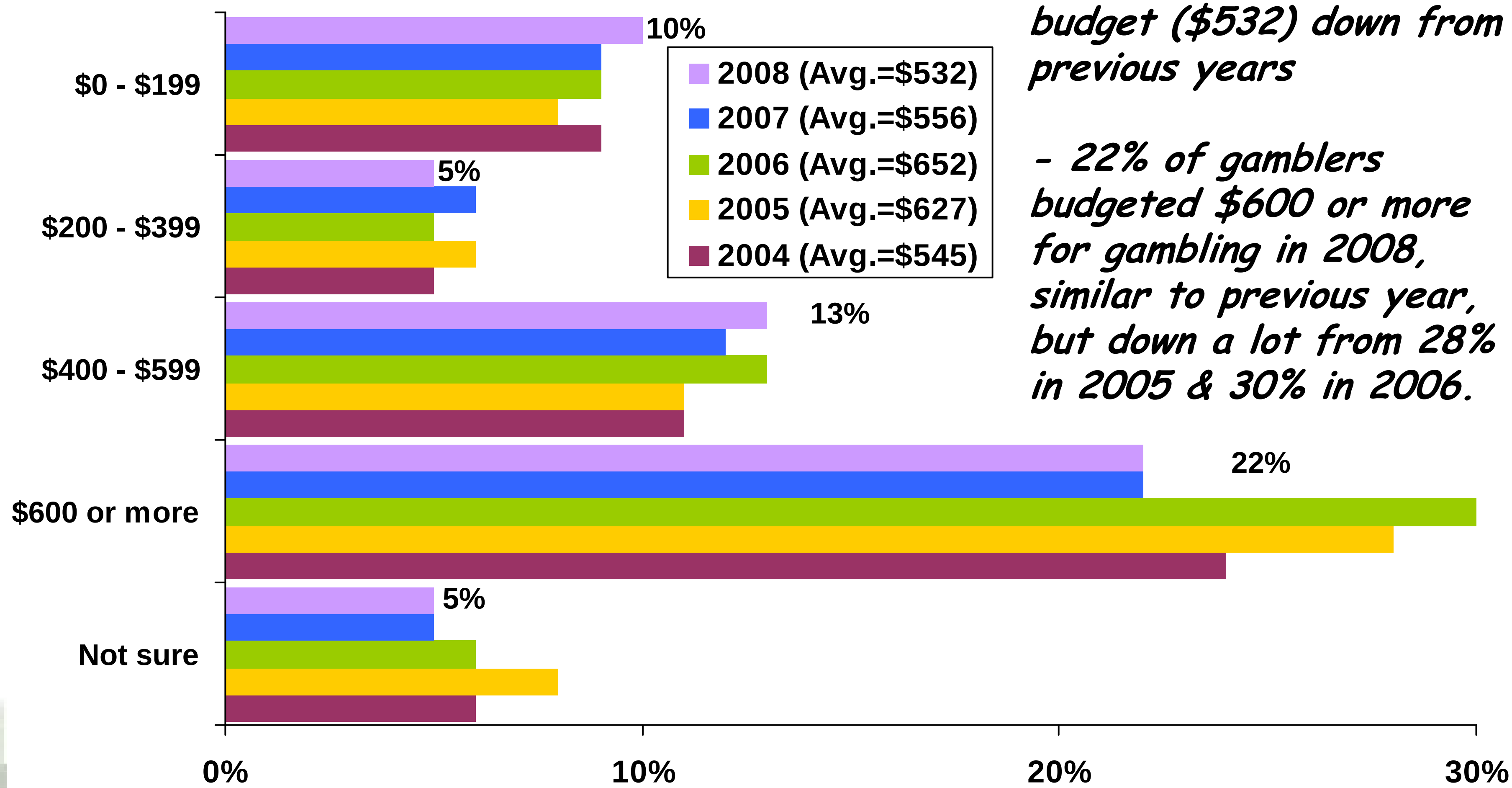
Trip Gambling Budget
(Among 2004 – 2008 Visitors Who Gambled)



- 2008 avg. gambling budget ($532) down from previous years

- 22% of gamblers budgeted $600 or more for gambling in 2008, similar to previous year, but down a lot from 28% in 2005 & 30% in 2006.

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Source: LVCVA 2008 Las Vegas Visitor Profile Annual Report.

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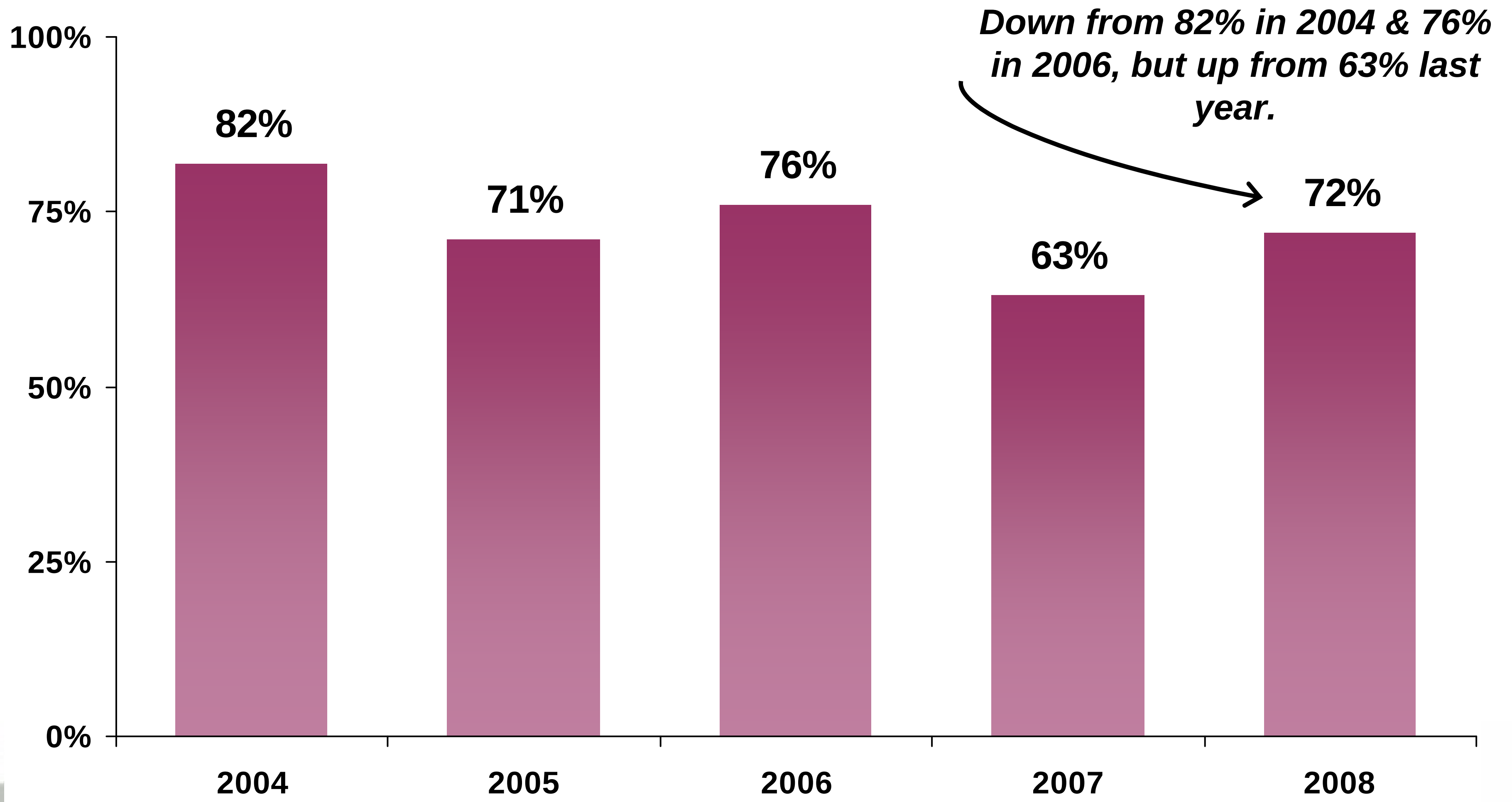
% of Visitors Who Attended a Show/Entertainment Venue (2004 – 2008 Visitors)



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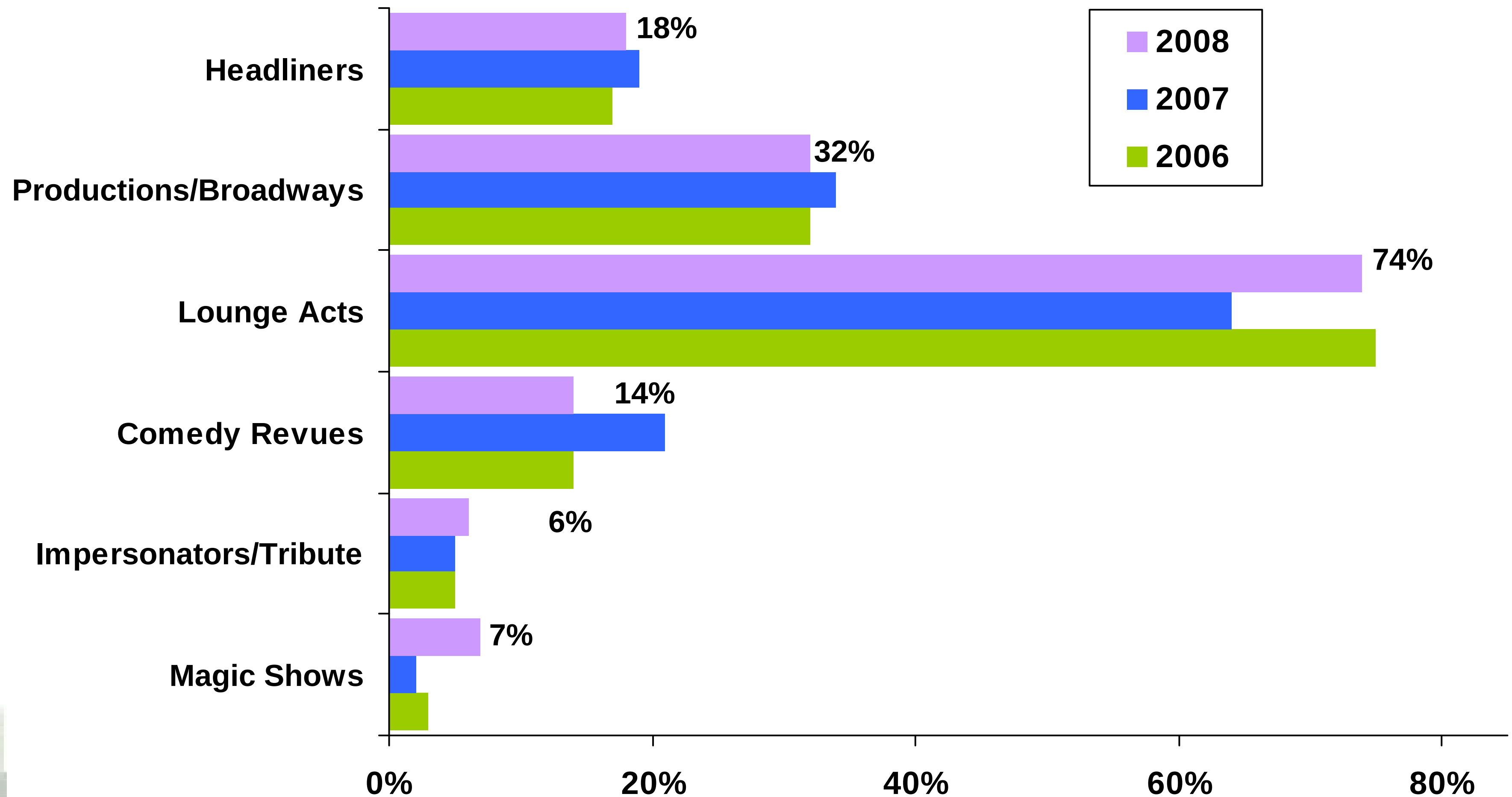
Source: LVCVA 2008 Las Vegas Visitor Profile Annual Report.

Types of Entertainment Attended* (2006 – 2008 Visitors)



**Multiple responses permitted.*
Source: LVCVA 2008 Las Vegas Visitor Profile Annual Report.

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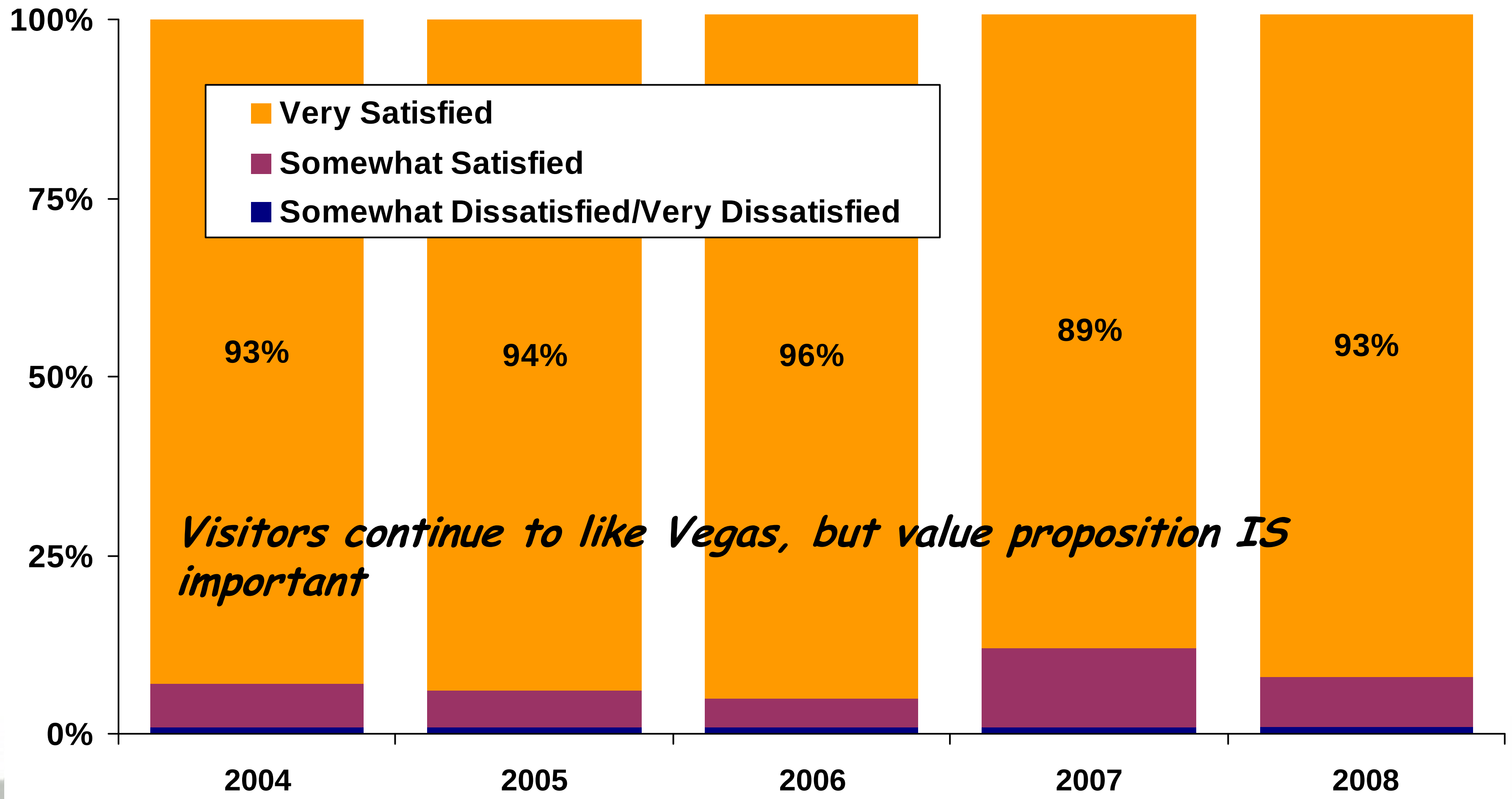
Satisfaction With Visit to Las Vegas (2004 – 2008 Visitors)



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Source: LVCVA 2008 Las Vegas Visitor Profile Annual Report.

Conclusions

Conclusions

- **Recovery will be slow and plodding**
- **National economy needs at least 6 months sustained job growth to really benefit Las Vegas visitor spending**
- **But specter of “job-less” recovery remains**
- **Consumer confidence is only the first step, must be combined with debt reduction & then by spending**
- **Discretionary spending will be constrained**
- **Spending on dining out will return first**
- **Luxury market recovery will lag, emphasis on value**
- **Continue seeing pressure from tenants on terms**

<u>So when will see the start of a sustained recovery in Vegas?</u>

Conclusions & Observations, Cont.

2012

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