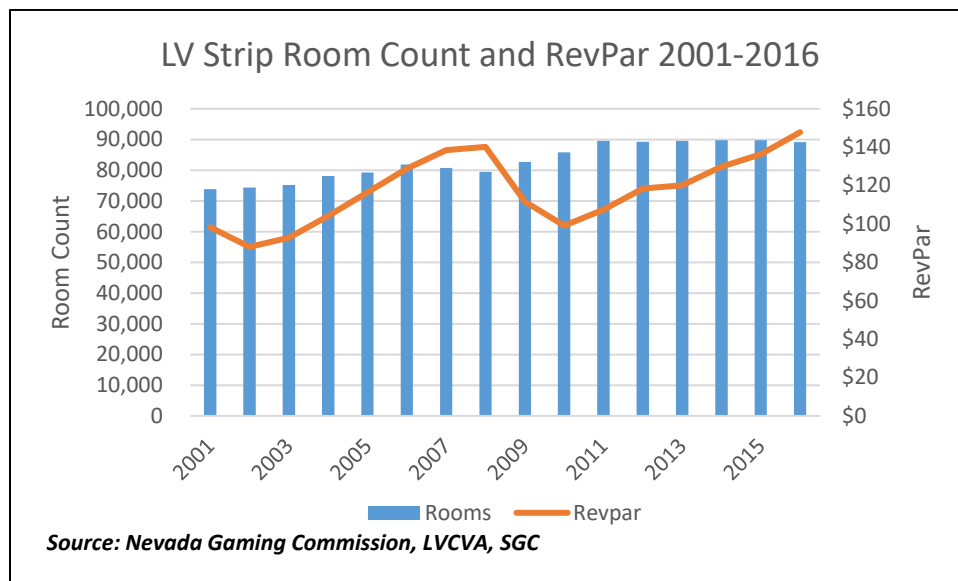


Insight: Conditions are Ripe for Extensive Development on the North Las Vegas Strip

The absence of hotel development for the last six years has allowed Revpar to grow substantially

- From 2008-2011, LV Strip added 10,000 rooms (+13%) while recovering from the 2008 crash
- Since then, room supply has been stagnant while Revpar increased from \$108 to \$148 (+37%)
- The market is now ready to absorb supply growth
- All the prime development sites are on the North Strip with several anchors already under development



\$7b of development is already planned for the North Strip, but just 5,000 rooms (+5.5%)

- **Las Vegas Convention Center (2017-2024)** – \$1.4B project that extends to the Strip and will include 600SF exhibit hall, outdoor exhibition space and a complete renovation of the existing convention space
- **Resorts World Las Vegas (2020)** – \$4B mega resort developed by Malaysian-based Genting, catering to Asian demographic specifically from Singapore, Malaysia and The Philippines, will have 4,000 rooms
- **Wynn Paradise Park (2020)** – \$1.6B project behind Wynn and Encore will include a 1,000 room hotel, casino and beach attraction
- In addition, several projects are likely:
 - **All Net Arena (2019)** – \$1.4B project adjacent to SLS, including a hotel, 300SF of retail and restaurant space and a 22K seat multi-purpose arena including the prospect of NBA basketball
 - **Completion of the Fontainebleau originally planned to have 4,000 rooms and multiple other amenities**
- This development would be a boon to the underperforming SLS and the recently opened Asian focused Lucky Dragon
- Condo projects might also return to the strip given that housing prices in Las Vegas are at pre-recession levels and projected to continue increasing, according to Zillow