

# Las Vegas Strip hotels see drop in tourism

By **Sabrina Schnur** and **Bailey Schulz** Las Vegas Review-Journal

March 13, 2020 - 6:14 am

A torrent of canceled conventions, shows and special events slammed Las Vegas Strip casino operators for a second straight day Thursday as a result of the coronavirus outbreak, underscoring the pandemic's blow to the valley's tourism economy, its largest employers and the hundreds of thousands of residents whose livelihoods depend on it.

"We need to temporarily implement fundamental changes to our business," Wynn Resorts CEO Matt Maddox said Thursday after announcing that the company's properties would temporarily cancel all large entertainment gatherings, beginning this weekend.

No buffets. No nightclubs. No theater

performances.

## **Convention cancellations**

At least 17 Las Vegas conferences, which would have brought an estimated 290,000-plus combined visitors to town, had been called off or postponed as of Thursday.

The 2020 ConExpo-Con/Ag construction equipment show, which was expected to draw 130,000 attendees, announced it was ending the event on Friday, a day early, because of coronavirus concerns.

Cirque du Soleil cut its performance schedule in half, from two nightly shows at Strip resorts to one.

The remaining games of the Pac-12 men's basketball tournament at T-Mobile Arena were canceled, as were the Western Athletic Conference men's and women's conference basketball tournaments at Orleans Arena.

Hotel rooms that were listed for more than \$100 last week were available on travel websites for as little as \$12 per night, a sign of extremely low demand. One restaurant introduced an "all-you-can-drink" happy hour early in the afternoon to fill the tables typically packed with business types with company expense accounts.

Conventions — big and small — are the lifeblood of the Las Vegas economy.

One report from the Las Vegas Convention and Visitors Authority found Las Vegas conventions and business meetings generated \$6.3 billion of direct economic impact and about 6.6 million business travelers in 2018.

The visitation drop is already visible on the Strip. On Thursday morning, there were more employees cleaning walkways than tourists strolling parts of Las Vegas Boulevard.

At The Mirage, employees said business has been helped immensely by the ConExpo-Con/Ag convention. One employee, who did not want to give his name because he did not have permission to speak to the media, said he worries about a tourism decline now that several conventions have been canceled.

“You know how this will affect our whole city,” he said.

The Las Vegas Convention and Visitors Authority declined to comment on the convention cancellations.

## **Macao’s slowdown**

A number of Las Vegas casino operators already

were hurt by the virus' impact overseas.

MGM Resorts International, Las Vegas Sands Corp. and Wynn Resorts Ltd. all have properties in Macao, a Chinese territory that shut down casinos for **15 days** last month to curb the spread of the virus.

The impact was significant; Maddox said the closures cost Wynn between \$2.4 million and \$2.6 million a day.

“For the operators that operate in Macao as well as in Las Vegas ... they've already seen a downturn,” said Brendan Bussmann, a partner at Global Market Advisors.

Macquaire analyst Chad Beynon said it's difficult to know what sort of impact the virus will have on local casino operators, but they'll likely take a hit in the **near term**.

“Margins will get hurt significantly,” he said.

Casino workers on the Strip are starting to notice a slowdown in business.

Jerome Olaso, vice president of operations at the Nectar Bath Treats located at The Mirage, said he's been on the ground this week checking on the stores' traffic. He said the opening of pool season Saturday was surprisingly empty, and he noticed traffic was a bit low for this time of year.

“This is typically the type of traffic we'd see in January, right after the holidays,” he said.

But he said the Nectar, which sits just inside the pool area at The Mirage, has seen a steady flow of families, which is the usual clientele.

“We’re still ringing up customers,” he said.

Wynn Resorts spokesman Michael Weaver, Las Vegas Sands Corp. spokesman Ron Reese, and Brian Ahern, spokesman for MGM Resorts International, had no comment. Richard Broome, spokesman for Caesars Entertainment Corp. declined to comment.