

Las Vegas preparing for Labor Day boost

By Bailey Schulz Las Vegas Review-Journal
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Foot traffic is expected to spike in Las Vegas this Labor Day weekend, a much-needed boost for a tourism-driven city that has seen visitation rates plummet because of COVID-19.

An August report from travel-organizing app TripIt found the city has the most U.S.-origin round-trip flight reservations over the holiday weekend of any city, beating other destination markets such as Denver; Orlando, Florida; and Cancun, Mexico.

“Major holidays like Labor Day weekend were a big deal for Las Vegas before (the pandemic), and it definitely represents an especially important time for Las Vegas this year,” said Josh Swissman, founding partner of gaming and hospitality consulting agency The Strategy Organization. **“This increase in the number of visitors, and the infusion of cash that comes along with them, couldn’t come at a more important time for the city.”**

‘More mileage out of their dollar’

Last year, Las Vegas was listed as the third-most-popular destination city for Labor Day Weekend — below Denver and Chicago — and claimed about 4 percent of all round-trip flight reservations that weekend, according to TripIt.

This year, projected volume increased 45 percent to a 6 percent share between Sept. 4 and 8.

Kelly Soderlund, TripIt's senior manager of communications, said Las Vegas typically ranks among the top destination markets, but travel restrictions in other states are expected to give the city a boost this year.

"There's undeniably some quarantine fatigue and people want to enjoy themselves again," she said via email. "And with many popular US destinations, such as Hawaii and New York, requiring 14-day quarantines (and other countries restricting or preventing travel altogether), the available options for U.S. travelers has shrunk."

Resort deals could also incentivize visitors, according to Brendan Bussmann, director of government affairs for Global Market Advisors LLC.

"Current conditions have allowed for visitors to get more mileage out of their dollar," he said, pointing to free self-parking and, in some cases, no resort fees. "It's still a great time to come to Vegas because of the amount of resources that properties continue to put into the health and safety of their guests and employees."

Swissman said the city is probably still seeing pent-up demand from travelers who are only just beginning to venture outside their homes. He added that even though entertainment options are limited, Las Vegas is still able to offer warm weather, pools, dining options, gaming and renowned customer service.

It's unclear how drive-in traffic will affect tourism rates over the weekend, but Bussmann said it'll probably bring in an even larger share of visitors.

“(Las Vegas) is still very dependent on the regional drive-in market,” he said. “Lift continues to be a challenge across the country as airlines have limited routes, including those nonstops in and out of Las Vegas.”

Assisting the city’s recovery

Last year, Labor Day weekend brought in an estimated 325,000 visitors who were expected to spend roughly \$235 million over the three-day weekend, according to the Las Vegas Convention and Visitors Authority.

The LVCVA has yet to release estimates for this year’s holiday weekend.

The Nevada Resort Association believes the long holiday weekend will drive strong visitation to the city and act as an economic boost to Southern Nevada.

“We’re watching trends closely and are optimistic we’ll see visitors, particularly from the drive-in markets, head to Las Vegas for their last summer getaway this Labor Day weekend,” said Virginia Valentine, president of the NRA.

Bussmann said major weekends have always been a boost to Las Vegas, and this year’s is likely to be even more significant, since visitation rates have run low in recent months amid a lack of airlift and conventions.

Some casino operators are already preparing for the holiday weekend.

Last week, MGM Resorts International announced that it would be reopening The Mirage on Aug. 27, just days before the holiday weekend.

Bussmann said this decision speaks to the demand the casino operator is probably seeing across its entire portfolio.

The Tropicana, a Strip property run by Penn National Gaming, is set to reopen the morning of Sept. 1.

Room rates

Room rates are also indicative of expected demand.

A stay at The Strat, for instance, is listed at \$224 the night of Sept. 5 on [Hotels.com](https://www.hotels.com), more than three times the \$67 charged for a room the night of Aug. 15, another Saturday.

Bally's room rates jump from \$80 to \$159 between those two days, and a stay at Harrah's jumps from \$79 to \$155, according to data collected from [Hotels.com](https://www.hotels.com).

"There is undeniable value in Las Vegas for travelers right now," Swissman said. "Room rates are priced much, much lower than a typical three-day weekend, and those rates are appealing to many price sensitive travelers."

Greg Chase, founder and CEO of Las Vegas-based Experience Strategy Associates, expects foot traffic volumes to level off again once the holiday weekend is over.

Occupancy rates at many Las Vegas hotels between April and June were in the 50s on weekends, and as low as 30 percent on weekdays, according to companies' second-quarter earnings calls.

Chase said that operators need to focus on strict health and safety standards during the holiday weekend and warned that the holiday could hurt the state's fight against COVID-19.

“When you add more volume, it becomes a bit harder to police (health and safety standards),” he said. “(Labor Day weekend) could spin us in the wrong direction. ... As long as we’re laser focused on holding ourselves accountable to those standards, it helps Las Vegas’ perception as a safe place.”

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