

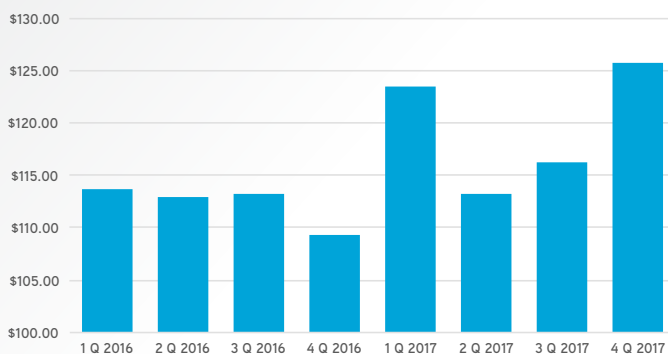
Aftermath

- › Hospitality sales volume ended 2017 down
- › Visitor volume continued to lag behind 2016's record
- › Room inventory growth remained light, with increased development expected in 2019

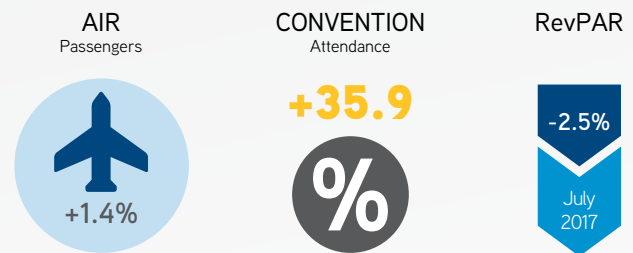
The trend of decreasing hospitality sales continued into the fourth quarter of 2017, with no sales occurring in the final quarter of the year. Sales of hospitality peaked in 2014 at 7,614 units sold that year, and have headed downward since, with 4,776 units trading in 2016. 2017 managed only 3,637 units sold. Over the past decade, big sales years have occurred in 2010 and 2014. That puts 2018 on schedule for another big year, provided investors can be convinced to play along.

Visitor volume in the first ten months of 2017 was 35.7 million visitors, less than the 36.2 million visitors to Las Vegas in the first ten months of 2016. Gaming revenue, on the other hand, was slightly stronger in 2017 than 2016, with \$8.37 billion taken in in the first ten months of 2017 compared to \$8.08 billion in the first ten months of 2016.

Revenue Per Available Room (RevPAR)



Economic Indicators



Market Indicators

Relative to prior period	Q3 2017	Q4 2017*
Room Inventory	↔	↑
Room Occupancy	↑	↓
Average Daily Rate	↑	↓
Revenue Per Available Room	↑	↔

*Projected

Summary Statistics

Las Vegas Market	Q4 2016	Q3 2017	Q4 2017
Room Inventory	141,423	141,516	141,685
Room Occupancy	92.0%	90.8%	94.5%
Average Daily Rate	\$122.95	\$124.70	\$125.97
Revenue Per Available Room	\$113.19	\$113.19	\$119.04

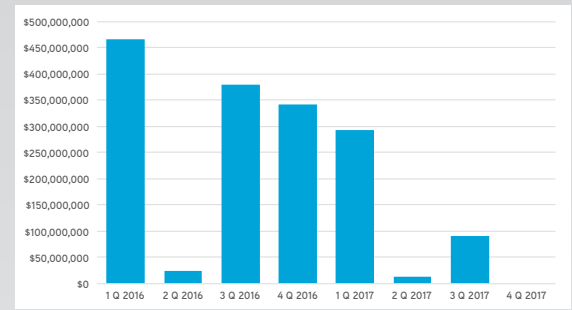
The average daily room rate (ADR) and revenue per available room (RevPAR) were also up year-over-year. Room inventory had a small increase in 2017.

Gaming revenue in the first ten months of 2017 posted 3.7 percent year-over-year growth for Clark County as a whole, and 2.6 percent growth on the Las Vegas “Strip” in particular. The Downtown submarket had very strong 12.5 percent gaming revenue growth year-over-year and the Boulder Strip, which mostly plays host to local casino patrons, posted 3.8 percent gaming revenue growth. If these rates of growth continue through 2018, we will see a solid improvement in gaming revenue, the one hospitality factor that has lagged behind the others since the end of the recession.

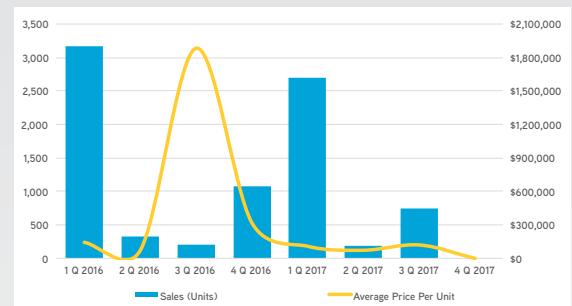
Room inventory increased slightly in the fourth quarter of 2017 with the completion of the 166-room TRUHotel by Hilton. Year-to-date completions stood at 449 units, negligible expansion for Southern Nevada’s large hospitality market. Resorts World Las Vegas remained under construction, with completion of the first phase planned for 2019, along with Steve Wynn’s 1,500-room Paradise Park project that will be constructed on the former site of the Desert Inn Golf Course. The recently purchased Fontainebleau Resort, on which construction halted during the Great Recession, has been relaunched as Project Blue, with permits pulled to renew construction. The Edge, an “extreme sports” resort is also proposed for the south Strip area. Several limited service hotels are now under construction or planned to begin construction in the Valley, including Heritage Inn, Homewood Suites, TownePlace Suites, Home2Suites and a Starwood hotel near the Las Vegas Speedway.

After heavy non-gaming development in 2016, Southern Nevada is slated for a \$75 million renovation of Caesars Palace’s original Roman Tower, a \$47 million renovation of the Thomas & Mack Center, a \$130 million expansion of their convention space and the rebranding and renovation of the Monte Carlo Resort & Casino to the Park MGM &

Sales Volume



Sales vs. Price Per Unit



Market Health

Data Point	2013	2014	2015	2016	2017*
Visitor Volume (millions)	39.9	41.6	42.3	43.2	35.8
Room Occupancy	84.3%	86.8%	87.7%	89.1%	89.2%
ADR	\$110.64	\$116.48	\$119.94	\$125.90	\$131.28
RevPAR	\$93.27	\$101.05	\$105.21	\$112.28	\$118.42
Convention Attendance (millions)	5.11	5.17	5.71	6.31	5.83
Passengers McCarran Int'l (millions)	41.8	42.9	45.3	47.4	40.8
Gaming Revenue (Clark County; billions)	\$10.0	\$9.6	\$9.6	\$9.7	\$8.4
Gaming Revenue (“Strip”; billions)	\$6.5	\$6.4	\$7.5	\$6.4	\$5.4

Data from Las Vegas Convention & Visitors Authority

* Data up to October 2017

NoMad Las Vegas. Construction has finished on the NHL Vegas Golden Knight's practice facility in Summerlin, and there is activity on the site of the soon-to-be NFL Las Vegas Raiders' new stadium. In all, we expect approximately \$1.2 billion spent on hospitality development in 2017 and 2018, and an additional \$11.3 billion of development in 2019 and beyond.

Hospitality sales were down in 2017 compared to the past three years. A total of 3,637 rooms sold in 2017 at a total sales volume of \$398.4 million and an average sales price of \$110,000 per room. In June, the forthcoming sale of the Stratosphere and both Arizona Charlie's locations to Golden Entertainment was announced, and the SLS should trade in February 2018. The deal was reported to involve \$781 million in cash and 4 million shares of Golden Entertainment stock to Whitehall Street Real Estate Partners 2007. Golden Entertainment already owns and operates casinos in Pahrump, NV. This should give 2018 hospitality sales a boost.

In October of this year, a terrible tragedy occurred at the Mandalay Bay resort, resulting in the deaths of 58 people. From an economics standpoint, it is difficult to say how this event has impacted the hospitality industry in Southern Nevada, as November and December numbers have not yet been released by the LVCVA. Needless to say, the event has affected everyone in Southern Nevada, opening their eyes to the need for increased security measures in large resorts. We at Colliers International want to extend our deepest sympathies to those affected by this criminal act, and we pray for a safer, happier 2018.

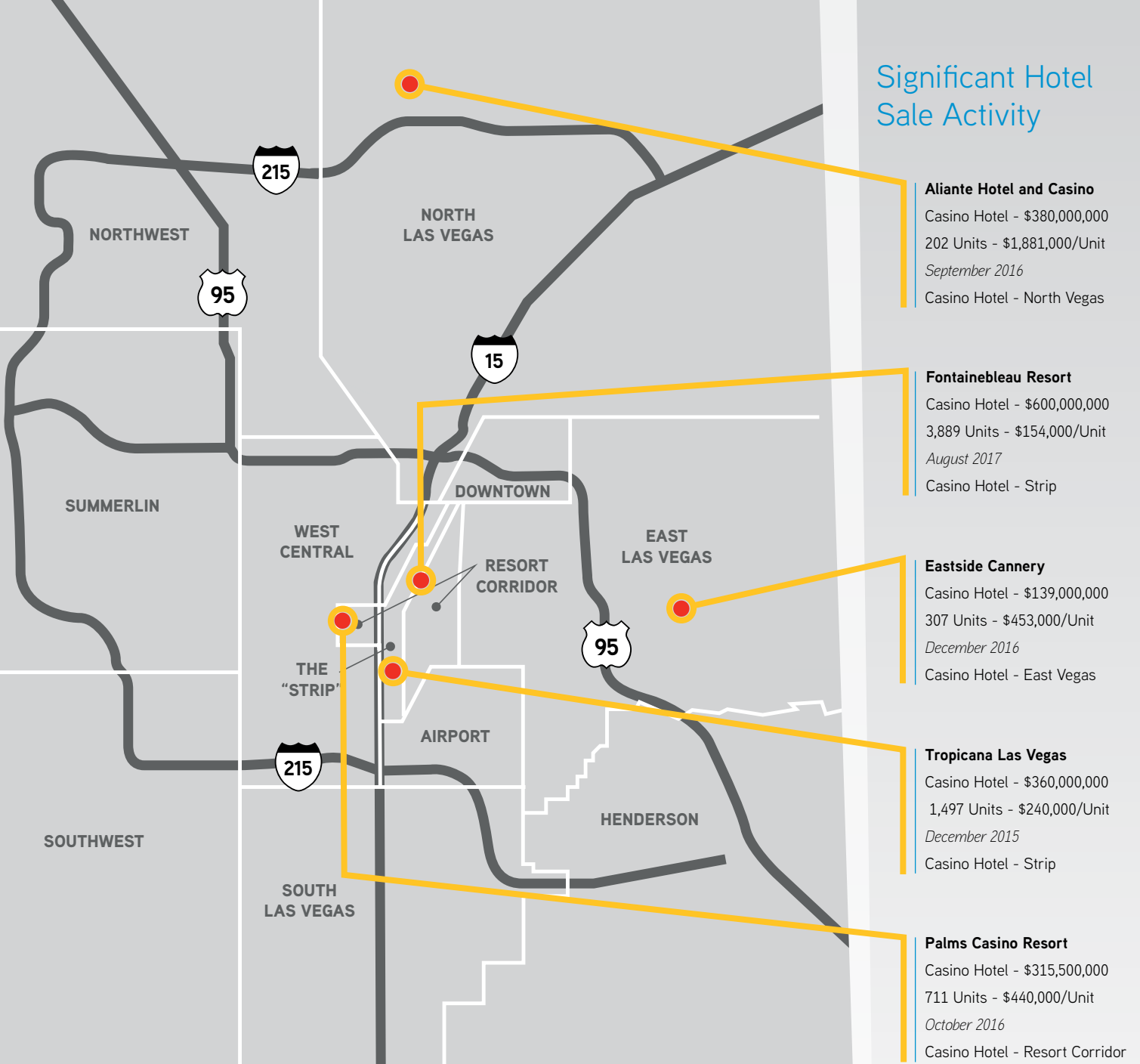
Hospitality Sales*

Year	Sales Volume	Units Sold	Price/Unit
2017	\$398.4 MM	3,637	\$110,000
2016	\$1,182 MM	4,415	\$268,000
2015	\$466 MM	5,445	\$86,000
2014	\$2,001 MM	7,614	\$263,000
2013	\$61 MM	1,335	\$46,000
2012	\$160 MM	3,120	\$51,000
2011	\$3,005 MM	7,507	\$400,000
2010	\$858 MM	8,883	\$97,000

* Only includes properties with 100 or more units, arm's-length sales



Significant Hotel Sale Activity



Sale Activity Continued

Property Name	Sale Date	Units	Price	Price/Unit	Submarket	Property Type
Cannery Hotel & Casino	Dec 2016	201	\$91,000,000	\$453,000	North Vegas	Casino Hotel
Marriott Springhill	Jul 2017	299	\$50,500,000	\$169,000	Resort Corridor	Full Service
The Orleans Hotel	Feb 2017	1,885	\$43,000,000	\$23,000	West Vegas	Casino Hotel
Embassy Suites	Jul 2017	286	\$31,100,000	\$109,000	Resort Corridor	Full Service
Serene Vegas	Jan 2017	150	\$15,500,000	\$103,000	Resort Corridor	Full Service

Market Comparisons - Las Vegas

Hospitality Market

TYPE	TOTAL INVENTORY (UNITS)	TOTAL SALES (UNITS)	TOTAL SALES VOLUME	AVERAGE SALES PRICE PER UNIT	COMPLETIONS CURRENT QUARTER (UNITS)	COMPLETIONS YTD (UNITS)	FUTURE DEVELOPMENT (UNITS)
DOWNTOWN							
CAS	7,428	-	\$0	n/a	-	-	-
FS	-	-	\$0	n/a	-	-	-
LS	204	-	\$0	n/a	-	-	-
Total	7,632	-	\$0	n/a	-	-	-
LAS VEGAS "STRIP"							
CAS	80,185	-	\$0	n/a	-	19	8,889
FS	5,450	-	\$0	n/a	-	-	-
LS	2,390	-	\$0	n/a	166	166	-
Total	88,025	-	\$0	n/a	166	185	8,889
RESORT CORRIDOR							
CAS	11,436	-	\$0	n/a	-	-	-
FS	4,004	-	\$0	n/a	-	-	-
LS	5,939	-	\$0	n/a	-	-	-
Total	21,379	-	\$0	n/a	-	-	-
AIRPORT							
CAS	-	-	\$0	n/a	-	-	640
FS	-	-	\$0	n/a	-	-	-
LS	1,009	-	\$0	n/a	-	-	-
Total	1,009	-	\$0	n/a	-	-	640
EAST LAS VEGAS SUBMARKET							
CAS	1,703	-	\$0	n/a	-	-	-
FS	-	-	\$0	n/a	-	-	-
LS	3,058	-	\$0	n/a	-	-	-
Total	4,761	-	\$0	n/a	-	-	-
HENDERSON SUBMARKET							
CAS	2,035	-	\$0	n/a	-	-	-
FS	732	-	\$0	n/a	-	51	-
LS	1,465	-	\$0	n/a	-	-	-
Total	4,232	-	\$0	n/a	-	51	-
NORTH LAS VEGAS SUBMARKET							
CAS	987	-	\$0	n/a	-	150	-
FS	-	-	\$0	n/a	-	-	-
LS	1,343	-	\$0	n/a	-	63	125
Total	2,330	-	\$0	n/a	-	213	125
SOUTH LAS VEGAS SUBMARKET							
CAS	2,463	-	\$0	n/a	-	-	-
FS	-	-	\$0	n/a	-	-	211
LS	1,404	-	\$0	n/a	-	-	-
Total	3,867	-	\$0	n/a	-	-	211
SUMMERLIN SUBMARKET							
CAS	1,770	-	\$0	n/a	-	-	-
FS	123	-	\$0	n/a	-	-	-
LS	515	-	\$0	n/a	-	-	-
Total	2,408	-	\$0	n/a	-	-	-
WEST CENTRAL SUBMARKET							
CAS	3,425	-	\$0	n/a	-	-	-
FS	118	-	\$0	n/a	-	-	-
LS	2,728	-	\$0	n/a	-	-	574
Total	6,271	-	\$0	n/a	-	-	574
MARKET TOTAL							
CAS	111,432	-	\$0	n/a	-	169	9,529
FS	10,427	-	\$0	n/a	-	51	211
LS	20,055	-	\$0	n/a	166	229	699
Total	141,914	-	\$0	n/a	166	449	10,439
QUARTERLY COMPARISON AND TOTALS							
Q4-17	141,914	-	\$0	n/a	229	449	10,439
Q3-17	141,685	746	\$90,174,194	\$120,877	0	220	10,105
Q2-17	141,685	194	\$14,225,000	\$73,325	169	220	5,670
Q1-17	141,685	2,697	\$294,035,872	\$109,023	51	51	5,670
Q4-16	141,634	1,072	\$342,690,000	\$319,674	42	166	5,521
Q3-16	141,592	202	\$380,000,000	\$1,881,188	124	124	6,137
Q2-16	141,468	334	\$23,600,000	\$70,659	0	0	4,167
Q1-16	141,468	3,168	\$465,543,841	\$146,952	0	0	4,925

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\$2.6

billion in
annual revenue*

2.0

billion square feet
under management

15,000

professionals
and staff

*All statistics are for 2016 and include affiliates.

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