

The 5 Biggest Casino Gaming Stories of 2018

Written by Administrator

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With 2018 almost over, it's time to consider just what the biggest news-makers were for the casino industry in that year. 2018 did not lack for either headlines or significant changes in the gaming industry, which continues to adapt to changing social and economic realities.

The Global Gaming Expo featured many innovations that casino operators looked to adopt.

Photo: D.G. Schwartz. David G. Schwartz

1. **Steve Wynn exits Wynn Resorts.** He's widely hailed as the man who created modern Las Vegas. Certainly without the resorts he built—Golden Nugget, Mirage, Treasure Island, Bellagio, Wynn, and Encore—Las Vegas would look much different today. The Mirage changed the paradigm of what a casino resort should be, paving the way for the mega-resort era of the 1990s. His leaving Wynn Resorts is unquestionably a big deal.

With or without Wynn, the Las Vegas Strip would have grown in the 1990s. Without him, though, new resorts would have tended more to the Excalibur than Caesars Palace. After all, Circus Circus Enterprises was wildly profitable, while Caesars was a takeover target of none other than [Donald Trump](#) (among others) before being acquired by ITT in 1995. Hence the skepticism, which was widespread, over the potential profitability of The Mirage. Without Wynn's design sensibilities and financial savvy to prove it could be done, the concept of an integrated mass luxury resort with a non-gaming emphasis might not have caught on.

So Wynn's departure from the company that bears his name and has continued to lead the market in many ways is significant.

2. **Sports betting comes to you!** The second earth-shaking story of 2018 was the Supreme Court's strikedown of PASPA, the 1992 legislation that had kept states outside of Nevada from legalizing new [sports betting](#). Since May, Delaware has started offering straight-up sports wagering (it had previously been offering only multi-game parlays) and New Jersey, [Pennsylvania](#), Mississippi, West Virginia, and [Rhode Island](#) have begun offering sports betting.

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From an absolute dollar standpoint, sports betting has not meant much...yet. Case in point: in October, Delaware, New Jersey, Mississippi, and West Virginia (combined population 14 million) earned about half of Nevada's total sports betting win. Nevada's population is about three million. The key is in how sports betting fits in with the rest of the state's gambling offerings. In October, sports betting accounted for less than three percent of Nevada's total gaming revenue. In New Jersey, it provides almost five percent of revenues, indicating that sports betting has the potential to be a much larger part of the revenue mix in markets outside of Nevada. This explains why gambling operators and manufacturers alike have raced to get involved in sports betting. While it isn't a large piece of the revenue pie at present, it is a growing piece, which is often more important to shareholders.

3. Rise of the REIT. Real Estate Investment Trusts (REITs) have become an important part of how casinos are owned. A REIT owns income-producing real estate—like casinos—that it leases to operators (casino companies like Penn National, MGM Resorts, and Caesars Entertainment). With REITs [owning more than \\$3 trillion in assets](#) across the United States, it is not surprising that the owners of gaming companies—which hold substantial real estate—have turned to REITs. The [first gaming REIT](#)

, [Gaming and Leisure Properties Inc](#)

., was born in 2013 from Penn National Gaming. In what has become the model for gaming REITs, GLPI acquired the majority of Penn National's properties, leasing their management back to Penn. Since then, GLPI has acquired casinos formerly owned by other companies and has been a major factor in the consolidation of the industry.

Since then, two other gaming REITs— [MGM Growth Properties](#) and [VICI](#) —have spun off from MGM Resorts International and Caesars Entertainment, respectively). Both performed well in 2018, adding properties (including some, like VICI's Margaritaville in Bossier City, Louisiana, not managed by their progenitor) and paying regular dividends. 2018 might be the year that REITs came into their own, showing that they are going to be a fixture in the gaming landscape for a long time.

REITs, it is hoped, will provide ample dividends. Getty

4. Quiet Consolidation. November had the headline-making proposals for Tilman Fertitta to [buy Caesars Entertainment](#) and MGM to [do the same](#) . Neither move has come to fruition, but earlier mergers and acquisitions shaped the industry in 2018.

[Eldorado Resorts](#) , a Reno-based casino company that stepped onto the national stage when it bought Isle of Capri in 2017, made big moves in 2018, buying the Chicago-area Grand Victoria Casino and, with GLPI, acquiring Tropicana Entertainment in October (GLPI brought the real estate, Eldorado manages the casinos). The company now owns 28 properties in 12 states and

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provinces, making it a force to be reckoned with.

[Penn National](#), not to be outdone, merged with Pinnacle Entertainment in October, bringing 40 properties in 18 states under Penn's purview. This compares favorably to the 50 or so properties Caesars Entertainment manages worldwide. [Boyd Gaming](#) snapped up four casinos Penn had to divest as part of the Pinnacle acquisition as well as the Valley Forge casino.

5. Transition in Washington. The departure of American Gaming Association CEO Geoff Freeman from the Washington-based casino industry advocacy group marks the end of a short but successful chapter in the association's history. Under Freeman, the group broadened its member base, including tribal gaming entities and smaller service and technology providers. The AGA's campaign to press for a broader legalization of sports betting (see #2 above) might have been his most visible victory, but in many other ways he helped the AGA adapt to changing times. The rise of [DC insider Bill Miller](#) to the organization's helm may augur new approaches as the casino industry redefines itself.

Those five stories helped to shape the year that was in casino gaming in 2018. While it remains to be seen how they impact the industry going forward, it is hard to deny that, for better or worse, they made 2018 a year to remember.

Most of the big moves of 2018 took place away from the Las Vegas Strip. Getty

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