



Hotel Meeting Space at Indian Casinos: 2012 Update

by Matthew S. Robinson

As of September 1, 2012, there were 166 Indian casinos with hotels in the U.S., with a combined total of more than 40,500 rooms and approximately 3.3 million sq. ft. of meeting space. This compares to the previous meeting space survey conducted in June 2006, with 125 Indian casinos with hotels and a combined total of almost 28,000 rooms and almost 2.3 million sq. ft. of meeting space. Between June 2006 and September 2012, the growth in the number of hotel rooms and total square footage of meeting space increasing at approximately the same rate – 43 percent and 45 percent respectively.

The combined total of 3.3 million sq. ft. of meeting space at Indian casinos with hotels is enough meeting space to accommodate 165,000 guests (classroom-style seating), 220,000 guests (banquet-style seating) or 330,000 guests (theatre-style seating) on a concurrent basis.

The following table presents the current meeting square footage at hotels at Indian casinos by the number of hotel rooms. The general trend with respect to size is that the larger the casino (number of gaming positions), the greater the amount of total meeting space. The same can be said for the number of hotel rooms in relation to meeting square footage – the greater the number of hotel rooms at an Indian casino, the

greater the total amount of meeting space. On average, Indian casinos with hotels have a median total meeting space per property of 10,300 sq. ft. and an average (mean) total meeting space of 19,835 sq. ft. per property. This compares to June 2006 with a median total meeting space of 11,660 per property and 19,770 sq. ft. average (mean) total meeting space per property. Accordingly, while there has been a significant increase in the number of hotel rooms and meeting space square footage at Indian casinos, the median and average square footage of meeting space per Indian casino with hotel rooms has essentially remained unchanged.

On a per gaming position basis, square footage ranges from a low of 8.3 sq. ft. to a high of 16.7 sq. ft. per gaming position, with an average of 12.6 sq. ft. per gaming position. This compares to June 2006 with an average 12.7 sq. ft. per gaming position for Indian casinos with hotels. On a per hotel room basis, square footage ranges from a low of 57.1 sq. ft. to a high of 97.5 sq. ft. per hotel room, with an average of 81.3 sq. ft. per hotel room. This compares to June 2006 with an average 81.5 sq. ft. per hotel room for Indian casinos with hotels. Once again, meeting space square footage per gaming position and meeting space square footage per hotel rooms has remained virtually

Meeting Space at Indian Casinos with Hotels								
Range of Rooms	< 100 Rooms	100 < 200 Rooms	200 < 300 Rooms	300 < 400 Rooms	400 < 500 Rooms	500 < 1,000 Rooms	1,000 or more Rooms	Total/Average
Indian Casinos with Hotels	49	49	24	13	13	14	4	166
Average No. Gaming Positions	656	1,162	1,960	1,935	2,396	3,055	6,293	1,568
Average No. Hotel Rooms	65	132	240	327	448	665	1,441	244
Gaming Positions Per Hotel Room	10.0	8.9	8.2	5.9	5.4	4.6	4.4	6.4
Meeting Space/Casino (sq. ft.)								
- Low	-	1,200	4,943	5,000	5,625	13,500	37,815	N/A
- High	21,000	50,000	65,000	46,000	100,000	100,000	150,000	N/A
- Median	4,000	10,000	14,242	30,000	28,000	50,000	70,500	10,300
- Average (Mean)	5,420	12,802	21,825	28,231	35,983	50,882	82,204	19,835
Average Meeting Space								
Per Gaming Position (sq. ft.)	8.3	11.0	11.1	14.6	15.0	16.7	13.1	12.6
Per Hotel Room (sq. ft.)	82.9	97.5	91.3	86.3	80.4	76.5	57.1	81.3

Source: KlasRobinson Q.E.D.

unchanged at Indian casinos with hotels since June 2006.

Meeting space square footage on both a per gaming position and per hotel room basis at Indian casinos with hotels in the less than 100 rooms range is somewhat skewed in that five of the 49 Indian casinos with hotels in that category have no meeting space at all, resulting in a lower average square footage per gaming position and per hotel room.

With respect to incremental gaming revenue, meeting space at an Indian casino can generate as much as \$10 to \$25 per meeting attendee per day, in addition to revenues for facility and equipment rental, food and beverage sales, etc. For guests that come to the casino to utilize the meeting space and also spend the night, that number increases significantly – as much as \$75 to \$250 per meeting attendee per night in incremental gaming revenue.

Meeting space is not cheap. It can cost between \$200 and \$300 per sq. ft. to construct. In order for meeting facilities to be successful at an Indian casino with hotel rooms, the property needs to maximize the utilization of the space. To achieve this, the space must be designed with flexibility in mind:

- Divisible space in order to accommodate different-sized and/or multiple functions.
- Appropriate audio/visual and acoustics for different types of functions (meetings, conventions, trade shows, banquets, concerts, boxing/cage matches and/or other special events).
- Adequate pre-function and break-out space, as well as back-of-house space for staging, prep and storage.
- Sufficient number of hotel rooms for group blocks.
- Additional parking requirements, particularly for functions that occur during times of peak gaming demand.

The specific utilization of meeting space at hotels at Indian casinos is as much a function of marketing and planning as it is of supply and demand. Depending on the size of a group, length of its stay, number of hotel rooms required, time and day of the week and/or season of the year, certain meeting space clientele may actually displace more lucrative gaming

demand. That is why it is crucial for a property's meeting and banquet staff to work with both its hotel and casino management to ensure the optimal utilization for the casino hotel complex as a whole, rather than just one specific department. ♣

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