



Hotels at Indian Casinos – 2021

by Matthew S. Robinson

As of December 31, 2020, there were 216 Indian casinos with hotel properties with a combined total of 55,504 rooms – an average of 257 rooms per casino with a hotel. As presented in Table 1, during 2020, only two Indian casinos added hotel properties, not surprising given the now year-long plus pandemic, resulting in a 0.4 percent annual growth in room supply – the lowest on record.

Openings in 2020 included the all-new Cahuilla Casino Hotel near Anza, CA in late May and the new hotel at 7 Cedars Casino in Sequim, WA in August. In addition, the Oneida Indian Nation acquired the former Microtel Inn Suites in Verona, NY, reopening it as the Sandstone Hollow Inn in February 2020 – the newest addition to its Turning Stone Resort Casino.

Many projects on hold or delayed due to COVID-19 will be opening in 2021, including four new hotels and another nine hotel expansions for a combined total of almost 3,900 rooms – the largest year-to-year increase in total rooms in almost 20 years.

During 2022, four new Indian casino hotels are anticipated to commence operations, adding over 1,400 rooms – breaking 60,000 total rooms combined at Indian casinos. During 2023, it is projected another four new Indian casino hotels and two other hotel expansions at existing Indian casinos will commence operations, adding almost another 1,400 hotel rooms.

By location, the number and growth of Indian casinos with hotels varies significantly. Over the past five years, 2015-2020, the greatest increase in the total number of Indian casinos with hotels occurred in California and Oklahoma – each

adding six properties. For the same period, the greatest total room increase occurred in California with more than 2,300 additional rooms (34 percent increase), followed by Florida with over 1,300 new rooms (115.8 percent increase) and then Oklahoma with almost more 1,200 rooms (25.5 percent increase). This compares to the prior five-year period, with Oklahoma accounting for the greatest increase in the total number of Indian casinos with hotels and the greatest total room increase – eight additional Indian casinos with hotels and almost 2,500 more rooms (113.8 percent increase). Table 2 presents the historic growth at Indian casinos with hotels by state.

The number of Indian casinos with hotels also varies significantly by number of rooms per property. As presented in Table 3 (page 27), of the 216 Indian casinos with hotels in operation by the end of 2020, the largest segment by size are those with less than 100 rooms (67 properties) and those with between 100 and less than 200 rooms (62 properties). With respect to the number of gaming positions per hotel room by size segment, the ratio ranges from 3.5 to 8.7, with the general pattern being smaller properties with higher ratios, and larger properties with smaller ratios – the average overall ratio of gaming positions per hotel room being 5.6 gaming positions per hotel room.

The pandemic has resulted in the delay of numerous hotel projects in Indian Country. At the same time, COVID-19 has caused operators to re-evaluate their existing facilities, in turn re-imaging the viability and utilization of such spaces in the future.

Table 1

Annual Hotel Room Growth at Indian Casinos
(As of December 31, 2020)

Year Ending (12/31)	Forecast 2023	Forecast 2022	Estimate 2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Indian Casino Hotel Rooms	62,182	60,809	59,390	55,504	55,266	51,864	50,468	49,074	47,326	45,861	44,497	41,736	39,275
Percent Change	2.3%	2.4%	7.0%	0.4%	6.6%	2.8%	2.8%	3.7%	3.2%	3.1%	6.6%	6.3%	1.9%
Indian Casinos w Hotels*	229	225	220	216	213	205	201	198	193	189	186	168	160
Percent Change	1.8%	2.3%	1.9%	1.4%	3.9%	2.0%	1.5%	2.6%	2.1%	1.6%	10.7%	5.0%	1.9%
Rooms/Indian Casino	272	270	270	257	259	253	251	248	245	243	239	248	245
Percent Change	0.5%	0.1%	5.1%	-1.0%	2.6%	0.8%	1.3%	1.1%	1.1%	1.4%	-3.7%	1.2%	0.0%

* There are dozens of Indian casinos with more than one hotel/lodging property - Accordingly, the actual number of individual hotels is greater.

Source: KlasRobinson Q.E.D.

“The pandemic has resulted in the delay of numerous hotel projects in Indian Country. At the same time, COVID-19 has caused operators to re-evaluate their existing facilities, in turn re-imagining the viability and utilization of such spaces in the future.”

Table 2

Historic Growth at Indian Casinos with Hotels – Summary by State

State	Year End 2020				Year End 2015				Year End 2010	
	Casinos with Hotels	Percent Change	Total Rooms	Percent Change	Casinos with Hotels	Percent Change	Total Rooms	Percent Change	Casinos with Hotels	Total Rooms
Alabama	3	0.0%	805	25.4%	3	200.0%	642	172.0%	1	236
Arizona	15	0.0%	4,506	27.1%	15	25.0%	3,545	29.4%	12	2,739
California	39	18.2%	9,227	34.1%	33	10.0%	6,879	14.2%	30	6,023
Colorado	2	0.0%	230	0.0%	2	0.0%	230	-2.5%	2	236
Connecticut	2	0.0%	3,969	11.2%	2	-33.3%	3,569	-8.9%	3	3,917
Florida	4	0.0%	2,484	115.8%	4	33.3%	1,151	11.4%	3	1,033
Idaho	4	0.0%	607	0.0%	4	33.3%	607	73.4%	3	350
Iowa	2	0.0%	535	0.0%	2	0.0%	535	24.7%	2	429
Kansas	2	0.0%	301	0.0%	2	100.0%	301	1.3%	1	297
Louisiana	3	0.0%	1,567	2.1%	3	50.0%	1,535	42.7%	2	1,076
Michigan	15	7.1%	3,864	5.3%	14	16.7%	3,671	24.5%	12	2,948
Minnesota	19	11.8%	5,239	12.4%	17	13.3%	4,663	4.8%	15	4,451
Mississippi	1	0.0%	1,214	0.0%	1	0.0%	1,214	-0.1%	1	1,215
Montana	3	0.0%	208	0.0%	3	200.0%	208	85.7%	1	112
Nebraska	1	0.0%	45	0.0%	1		45			
Nevada	2	100.0%	472	3.7%	1	0.0%	455	0.0%	1	455
New Mexico	11	0.0%	2,408	3.4%	11	0.0%	2,328	5.7%	11	2,202
New York	4	0.0%	1,985	4.3%	4	33.3%	1,904	24.9%	3	1,525
North Carolina	2	0.0%	1,408	0.0%	2	100.0%	1,408	28.2%	1	1,098
North Dakota	5	0.0%	908	-0.4%	5	0.0%	912	57.5%	5	579
Oklahoma	26	30.0%	5,770	25.5%	20	66.7%	4,597	113.8%	12	2,150
Oregon	7	16.7%	1,376	-2.2%	6	-14.3%	1,407	2.9%	7	1,368
South Dakota	8	0.0%	540	0.0%	8	0.0%	540	1.1%	8	534
Texas	1	0.0%	249	0.0%	1		249			
Washington	18	28.6%	3,035	19.1%	14	55.6%	2,548	33.3%	9	1,912
Wisconsin	15	7.1%	2,401	14.7%	14	16.7%	2,093	25.4%	12	1,669
Wyoming	2	100.0%	151	67.8%	1		90			
Total/Average	216	11.9%	55,504	17.3%	193	22.9%	47,326	22.8%	157	38,554

Source: KlasRobinson Q.E.D.

Key recommendations specific to Indian casino hotels include:

- Re-evaluation of the balance between various casino resort components to ensure that each component is properly scaled to meet the needs of the new operating environment, including greater design flexibility to quickly adapt space use in the future.

- Evaluation of the cost/benefit of additional space for gaming and of reallocation of space from areas no longer utilized to the same degree.
- Enhanced room service for casinos with hotels and increased packaged food vending and microwavable or kitchenette-preparable food.

Table 3

Indian Casinos with Hotels – Summary by Size*
(As of December 31, 2020)

Range of Rooms	Casinos* with Hotels	Average No. Gaming Positions	Average No. Hotel Rooms	Positions Per Hotel Room
< 100 Rooms	67	481	56	8.7
100 < 200 Rooms	62	1,139	133	8.6
200 < 300 Rooms	29	1,730	232	7.5
300 < 400 Rooms	16	1,926	337	5.7
400 < 500 Rooms	14	2,294	434	5.3
500 < 1,000 Rooms	19	2,759	676	4.1
1,000 or more Rooms	9	4,844	1,386	3.5
Total/Average	216	1,444	257	5.6

* There are dozens of Indian casinos with more than one hotel/lodging property - Accordingly, the actual number of individual hotels is greater.

Source: KlasRobinson Q.E.D.

It is important to note that these ranges are based on averages and do not take into consideration the characteristics unique to any specific competitive market or restrictions on the types and/or numbers of gaming devices determined by individual compacts. At the same time, the ranges do provide a reasonable “rule of thumb” for comparative purposes.

- Conversion where possible to touch-free processes, particularly in restrooms, entrances and other places where motion sensing is practical.

- Identification of key customer groups for special attention that can be attracted by providing added protection versus the general population.

- Reconfiguration of players’ club benefits to focus even more intensively on higher-value gamers and reduce incentives to bottom level gamers. ♣

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