

HVS Gaming Division Featured Clients and Engagements

Proposed Marina Bay Sands

Singapore

The Singapore government abolished its 40-year ban on casino gaming in 2006 and permitted development of two integrated resorts in order to attract more tourists and increase tax revenue. Goldman Sachs retained HVS to develop opinions of the prospective market value upon completion for one of the integrated resorts, the proposed Marina Bay Sands, and a residual value for the leasehold and gaming concession/license for project financing.

The proposed Marina Bay Sands is envisioned to be modern and contemporary in style, incorporating an external architecture appropriate for its prime downtown location and complementary to the modern image of Singapore as a leading Asian city. At opening, the proposed Marina Bay Sands is anticipated to include a ±15,000-square-meter gaming facility, three 57-story hotel towers with 2,646 guestroom suites, a Sky Park, food and beverage facilities, ±92,900 square meters of exhibition and meeting space (including ±35,000 square meters of exhibition space, a ±5,900-square-meter ballroom, and ±52,000 square meters of flexible meeting space), a 1,650-seat and a 2,000-seat



theater, an ArtScience Museum, an event plaza, recreational facilities, and ±4,000 parking spaces. In addition, the integrated resort will feature a three-story retail mall, two “floating” Crystal Pavilions, and leased retail space.

HVS Gaming Division projected the Singapore marketwide demand based on an analysis of the sources of potential gaming patrons and factors impacting potential visitation, player gaming habits, and average gaming spending from local and major feeder markets. The forecast of departmental profit for the proposed Marina Bay Sands’ casino was arrived at by: 1) deriving market share for the only

Clients:

Goldman, Sachs & Co.

Project Type:

Proposed Integrated Resort with Casino, Hotel, Retail Mall, M.I.C.E. Facilities, and Theaters

Project Scope:

- Site analysis
- Market area overview
- Surveys and interviews with gaming officials, event planners, local and regional tourism professionals
- Gaming, hotel, retail, and M.I.C.E. supply and demand projections
- Forecasts of Income and Expense
- Discounted Cash Flow Analyses
- USPAP Conforming Appraisal and Appraisal Report

Results

Comprehensive appraisal for project financing provided to private banks for underwriting purposes

Role

Appraiser

Date of Service

2007



other casino gaming facility currently being developed in Singapore, for both the Singapore population and for Singapore visitors segments; 2) segmenting the gaming revenue projected for the proposed Marina Bay Sands according to appropriate gaming types (VIP table games, mass table games, and slot machines); 3) calculating and analyzing the potential win per unit per day per segment based on the gaming revenue allocated to the Marina Bay Sands and the allocation of reasonable expenses attributable to casino operations. This task was particularly challenging because of the lack of historical casino gaming data in Singapore.

The HVS Convention and Sports and Entertainment Division assessed the Pacific Rim market for convention and meeting space, and prepared projections of meeting attendance by market segment for the proposed convention center. Linda Congleton & Associates, a specialized retail consulting firm, was brought in to perform an in-depth investigation of the Singapore retail markets and to prepare projections of retail revenue and expense for the retail appraisal.

Size:

- **Casino:**
 - 50,000 sq. m. building area
 - 15,000 sq. m. gaming area
- **Hotel:**
 - 241,000 sq. m. building area
 - 2,646 guest suites in three hotel towers
- **Meeting, Incentive, Convention, and Exhibition (M.I.C.E.) Facilities:**
 - 121,000 sq. m. total building area
 - Exhibition halls
 - Ballroom
 - Meeting space
- **Theaters:**
 - 21,000 sq. m. building area
 - 1,650-seat theater and 2,000-seat theater
- **Retail:**
 - 67,000 sq. m. building area
 - Shopping, dining, and entertainment space