

HD Investment Feeds Hopes Of Las Vegas Recovery

BY By Kate O'Keeffe

WC 530 words

PD 5 August 2014

SN The Wall Street Journal Europe

SC WSJE

PG 18

LA English

CY (Copyright (c) 2014, Dow Jones & Company, Inc.)

LP

Crown Resorts Ltd., the casino **company** controlled by Australian billionaire James Packer, plans to work with Oaktree Capital Management LP and former Wynn Resorts Ltd. executive Andrew Pascal on a Las Vegas Strip casino project.

The investors are part of a growing circle betting on a recovery in the world's second-largest gambling market, after the financial crisis halted a building boom in the city.

TD

The parties bought a controlling interest in a 34.6-acre piece of land on Las Vegas Boulevard, according to a joint statement issued Monday. Crown, the venture's majority owner, has spent \$280 million on the project, including the land acquisition, according to its statement to the Australian Securities Exchange. The investors projected breaking ground late next year and finishing the project in 2018.

The **site** had been owned by Israeli businessmen whose plans to build a **casino-resort** modeled after New York's Plaza **Hotel** were upended by the recession. It is adjacent to a **site** where Genting Bhd. plans to build a \$4 billion **casino-resort**. The Malaysian **company** took over Boyd Gaming Corp.'s Echelon project, which had been halted in 2008 because of the financial crisis.

Mr. Packer felt the pangs of the financial crisis personally. Several of his Las Vegas investments went awry during the period, including one in the Fontainebleau **casino-resort** just up the road from his new project's **site**. Fontainebleau Las Vegas halted construction and **sold** its furniture after entering bankruptcy protection in 2009. Crown and Mr. Packer settled a lawsuit filed against them by a **group** of lenders to that project in June.

Crown meanwhile has focused on casino ventures on the other side of the world, including in the Philippines, Sri Lanka, at home in Australia and in the world's largest gambling hub, the **Chinese** territory of Macau.

But casino executives, investors and analysts lately have been talking up the Las Vegas Strip's prospects again. The \$415 million SLS Las Vegas, built on the **site** of the former Sahara **hotel** and casino of the Rat Pack era, is set to open this month. In May private-equity **firm** Blackstone agreed to pay \$1.7 billion to Deutsche Bank AG for the Cosmopolitan of Las Vegas, another Strip **casino-resort** that ran into financial trouble during the downturn. Caesars Entertainment Corp. and MGM Resorts International also have invested in casino and entertainment projects on the Strip recently.

Union Gaming Research analyst Robert Shore said his **firm** has seen "a clear positive demonstrative change" in business in Las Vegas over the past six to nine months. Gambling revenue on the Las Vegas Strip rose 3.5% in the first half of this year and revenue per available **hotel** room in the area rose 9.9%, official data show.

"All the development coming to Las Vegas collectively lends credence to the Strip recovery story, which was further highlighted by today's news, as very smart and highly sophisticated gaming investors and developers are looking to deploy their capital in the market," Mr. Shore said.

[License this article from Dow Jones Reprint Service](#)

CO crncas : Crown Resorts Limited | oaktcm : Oaktree Capital Group LLC | wynnr : Wynn Resorts Ltd

IN i85 : Real Estate Transactions | i97912 : Gambling Industries | icre : Real Estate/Construction | ilea : Leisure/Arts/Hospitality | ireest : Real Estate | i66 : Hotels/Restaurants | i665 : Lodgings | i6652 : Casino Hotels | i831 : Financial Investments | i83107 : Portfolio/Fund/Asset Management | ifinal : Financial Services | iinv : Investing/Securities | itourm : Tourism

NS ccat : Corporate/Industrial News | neqac : Equities Asset Class News | nnam : News Agency Materials | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter | niwe : IWE Filter

RE austr : Australia | lvegas : Las Vegas | usa : United States | usnv : Nevada | usw : Western U.S. | apacz : Asia Pacific | ausnz : Australia/Oceania | namz : North America

IPC ABO

PUB Dow Jones & Company, Inc.

AN Document WSJE000020140805ea850000j