

# Virgin Hotels CEO says Vegas property to grow with market

By Mike Shoro Las Vegas Review-Journal  
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The Las Vegas Valley's newest integrated resort is still without a pool, a beach club, multiple planned restaurants, an operating sportsbook and hotel occupancy rates in line with the average.

All as expected, Virgin Hotels Las Vegas executives said Friday. But that situation will change soon.

Those features are on the way, slated to arrive in the coming weeks and months, said Richard "Boz" Bosworth, president and CEO of the resort's ownership group.

The off-Strip property — formerly the Hard Rock Hotel — at 4455 Paradise Road opened its doors March 25. The reimagined resort may have been the Hard Rock Hotel for 25 years, but Virgin Hotels Las Vegas is still establishing itself in a market recovering from COVID-19 and with only a month under a new name and ownership group, he said.

The Virgin hotel isn't yet filling its rooms at the average occupancy rates seen across the valley, Bosworth said Friday. The hotel is "hovering below" 30

percent of its weekday rooms and 70-to-80 percent of its weekend rooms, he said.

“That’s because we’re brand-new, and that’s what to be expected,” Bosworth said, “because we literally started with no reservations. So we’re building, and the market is very much booking for the next 30, 60 and 90 days out.”

Bosworth doesn’t see the situation lasting for long. Bookings over the last two weeks are “like a light switch that has gone off,” he said, adding the property has booked tens of thousands of group room nights starting in June, and leisure bookings have increased twenty-fold.

He said he expects the property to catch up to average occupancy rates by June, and he cited continuing vaccination efforts, amenities opening in May and a natural “building period” when opening a new resort. The pool is scheduled to open May 21, and the Elia Beach Club will follow in early June, Bosworth said.

“(We were not) waiting for entertainment, we were not waiting for events to come back. We were not even waiting for market occupancy and rates to come back,” Bosworth said Friday. “We wanted to get open because we felt it was safe, knowing that it was an opening that was going to take over a period of months, as we opened up our swimming pools, as we opened up more restaurants and nightlife, that it was going to take a period of time.”

“So this is exactly as we had expected, knowing that we were opening up into a market that was going to grow and we would grow with the market.”

## An ‘exciting’ start

Casino capacity limits rose from 50 to 80 percent of a building’s fire code on Saturday. Social distancing requirements also eased from 6 feet to 3 feet as the state handed over COVID-19 restriction decision-making to local jurisdictions and the Gaming Control Board.

Those relaxed restrictions will particularly help Virgin Hotels Las Vegas toward the end of May, as additional restaurants and the pool open, Bosworth said. They’ll also help the property’s bars and restaurants manage capacity, noted Joe Hasson, general manager of Mohegan Sun Casino at the hotel.

Restaurants and venues such as Kassi Beach House, Todd English’s Olives, Money, Baby! and Afters Ice Cream are expected to open in May.

The property’s sportsbook operator, U.K.-based Betfred, hasn’t yet received regulatory approval to run the sportsbook, Hasson said. The sportsbook was previously expected to open sometime by June; it’s now projected to open sometime in the third financial quarter ( July, August or September), Hasson said.

Even with the current limited amenities, it’s been an exciting first month at the property, Bosworth said. The property’s restaurants including One Steakhouse, Night + Market, Casa Calavera and Nobu have already drawn foodies to the property, he said.

The casino’s customer base so far has comprised roughly 50 percent locals and 50 percent regional or national visitors, Hasson said. Mohegan’s Momentum loyalty rewards program has drawn “‘thousands upon thousands upon thousands

upon thousands” of new signups, Hasson said, noting that’s standard for a new resort.

“I will tell you that for any casino manager, for any casino operator, you always want that number to be more,” he said. “There’s never a time that you’re satisfied. But what I’m particularly excited about is that I’m seeing Momentum cards from afar.”

Unsurprisingly, he said, many of the regional customers are from Arizona, California or Utah. National customers have come from other parts of the country with a Mohegan Sun gaming presence, including New Jersey, Connecticut, Louisiana, Pennsylvania and Washington, he said.

Those national customers tend to belong to Mohegan’s Momentum loyalty rewards program, and now have a spot in Las Vegas where they can use their points, Hasson said.

## **‘More to come’**

It’s “not an easy task” to be a new-to-Vegas brand such as Virgin Hotels and introduce your property during a pandemic, notes Brendan Bussmann, partner at Global Market Advisors. There are always going to be “growing pains as you figure out your role in the market.”

The former Hard Rock Hotel closed in February last year. Virgin Hotels Las Vegas’ initial opening date was pushed back from fall 2020 to January 15, and finally to March 25. That March date gave the property time to open the rest of its amenities before the summer, he said.

“Slow and steady is always gonna win the race. But it’s a challenging time to open up the property,” Bussmann said.

The return of group business with the potential of gathering restrictions to further lift come June aligns with its high volume of bookings come June, Bussmann said. Another boon to the resort is the hotel’s Curio Collection integration and accompanying Hilton customer database.

“I think once you hit that summer crowd, I think they’ll do great,” Bussmann said.

March saw all-time monthly gaming win records across the Las Vegas Valley. The “off-the-hook-good” month demonstrates there’s pent-up demand for what Las Vegas has to offer, said Hasson, the casino general manager.

“This resort is still building everything from swimming pools to top-end hotel rooms to multiple restaurants that are still forthcoming,” Hasson said. “So even though it’s in its infancy, there’s more to come.”

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