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RESEARCH UPDATE

JULY 2024 REVIEW

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Big Sky Travel & Tourism Trends

- 322,732 total revenue passengers passed through the Bozeman Yellowstone International Airport in July 2024, a gain of 12.8% compared to the same month last year.
 - Total revenue passengers are up 8.0% Year-To-Date (YTD) in 2024 compared to YTD 2023.
- Average Occupancy at Airbnb and Vrbo short term rentals in Big Sky grew from 61% in July 2023 to 66% in July 2024.
 - Average Daily Rate at those same properties slipped by just \$1 YoY, dropping from \$678 to \$677 in July 2024.
- Professionally managed short-term rentals reported a small gain in Occupancy Year-over-Year, with Occupancy rising from 48% last July to 49% this July.
 - Average Daily Rate showed healthy growth YoY, rising from \$580 in July 2023 to \$606 in July 2024.
- Visa credit card spend in Big Sky increased slightly YoY in July of 2024, with more than \$7.4 million being spent by domestic visitors and residents in the month.
 - International Visa card spend decreased slightly YoY, with \$108,265 being spent by international visitors during the month of July 2024.

West Region Mountain Market Summary

- “Mountain resorts are moving into the second half of the summer on a high note, even as booking pace turns negative and revenue gains soften.”
- “While year-over-year room rates for the summer went up a bit in July from June forcing consumers to pull back on bookings, this third month of relatively moderate rate gains has established a robust foundation of revenue for the season. And with July coming through with a win, the strength of August is all but assuring that this summer will be one to celebrate.”
- “But it’s not just the bottom line that looks good; all months of the season are gaining revenue through a one-two punch of positive occupancy and room rates – something we’ve not seen for more than two consecutive months since the end of the 2021/22 winter season. It’s a condition that puts operational power in the hands of suppliers, even though pricing power remains with travelers amidst a wishy-washy consumer mood.”

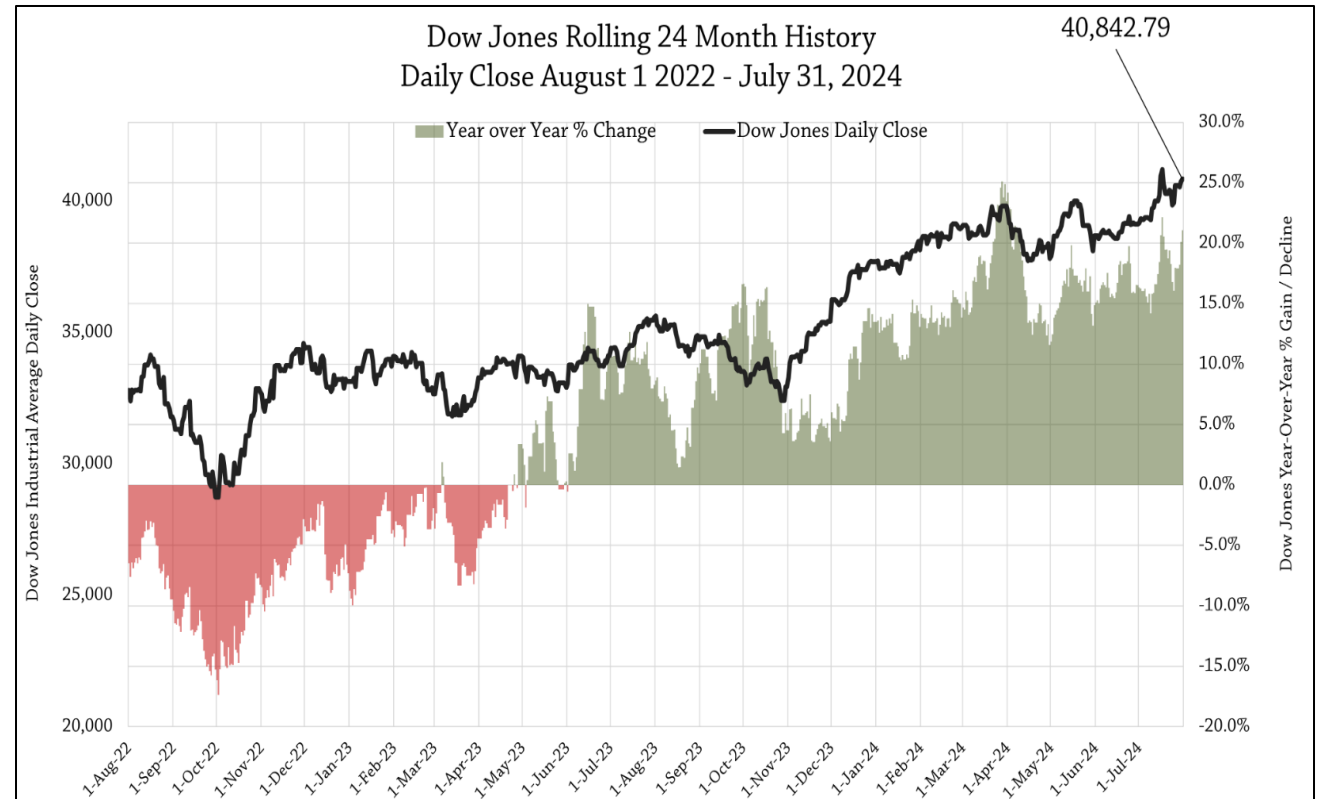
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U.S. MARKET REVIEW



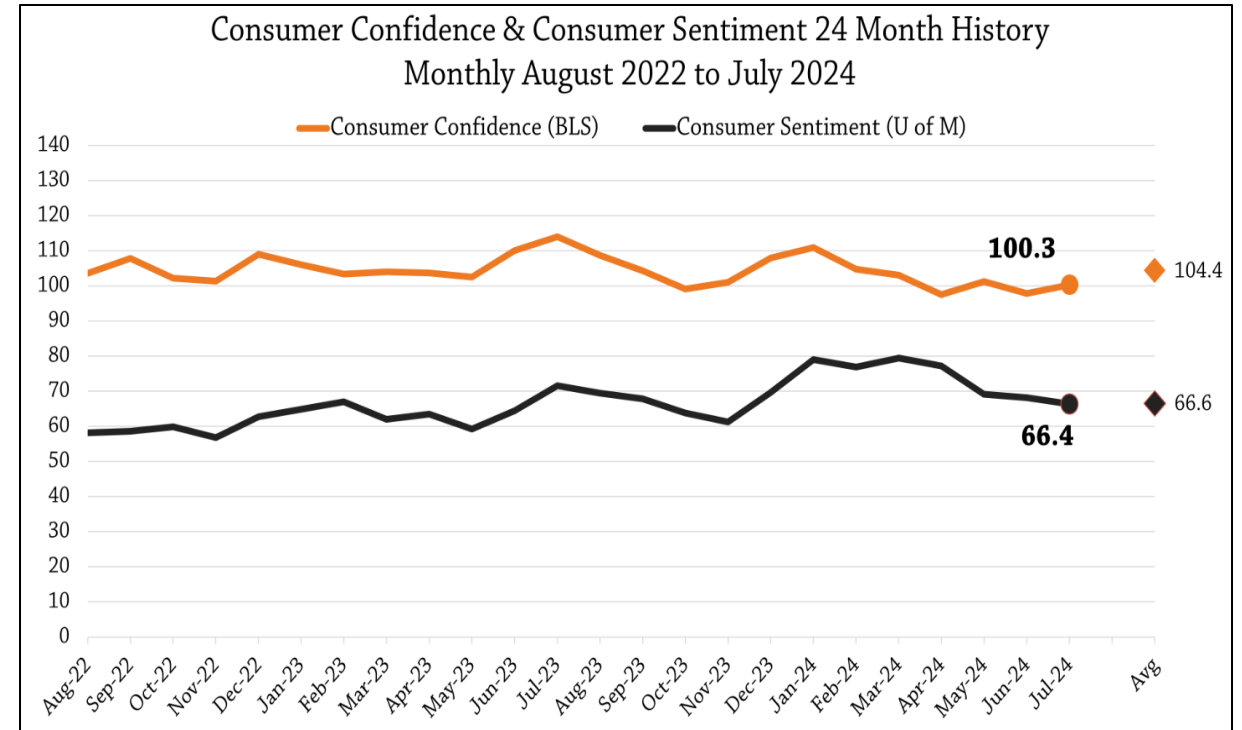
The Dow Jones Industrial Average

- “The Dow Jones Industrial Average (DJIA) picked up strongly in July, adding 4.4 percent, or 1,723.9 points, to finish the month at 40,842.8 points. This is the first monthly close above 40,000 points in the history of the index.”
- “Gains in July were largely a reflection of positive domestic and international inflation data, with Canada and areas of the Eurozone easing interest rates, while inflation at home dropped to a two-year low and consumer prices held steady.”
- “All the indicators...point to consumers remaining price-sensitive for the time being.”



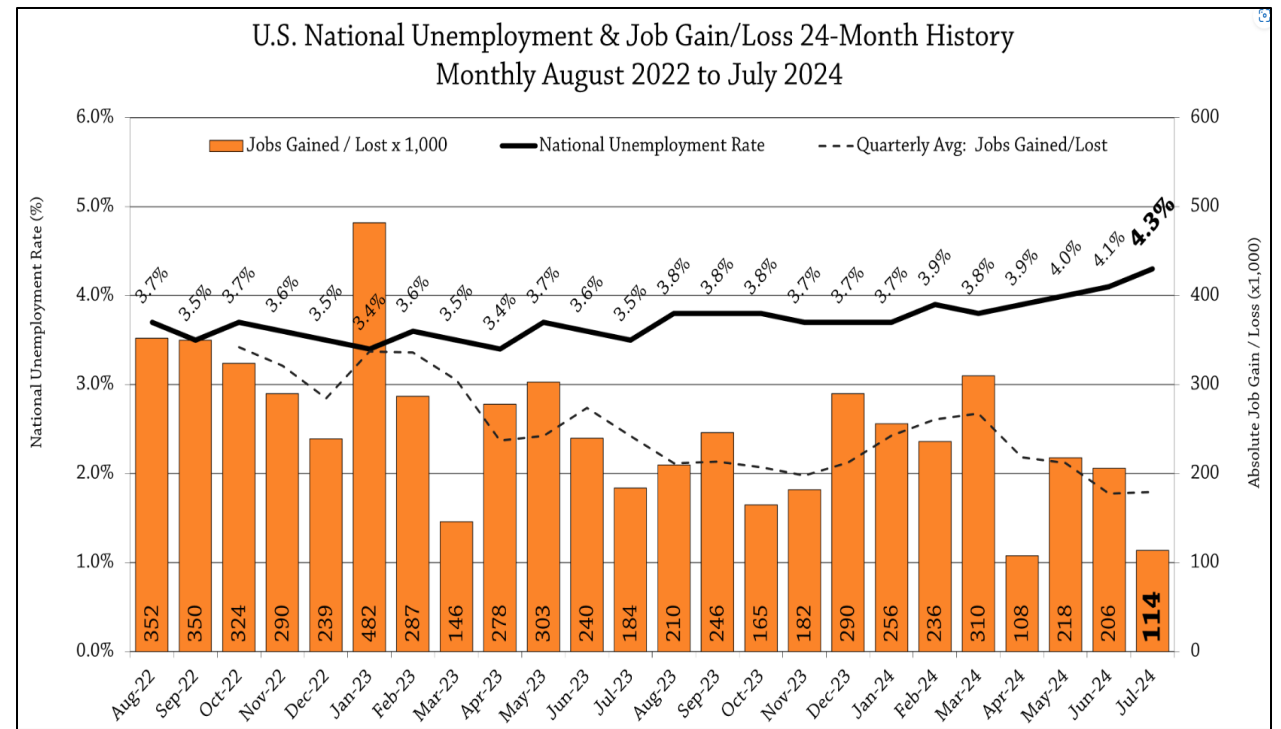
The Consumer Confidence Index & Consumer Sentiment Index

- “The CCI added a slight 2.6 percent to finish the month at 100.3 points, up from June’s downwardly adjusted mark of 97.8 points and still within the narrow range where it has been stuck for much of the past 24 months.”
- “Conversely, the CSI from the University of Michigan moved down in July to 66.4 points, its lowest level since last November. Consumers expressed caution about continued high prices, despite the June decline in the inflation rate and speculation about easing interest rates.”
- “The CSI is statistically flat to its 24-month average of 66.6 points, while the CCI is down from its 24-month average of 104.4 points.”



The National Unemployment Rate

- “July changed the tone of economic outlook considerably, with employers adding just 114,000 new jobs to payrolls while the unemployment rate ticked up to 4.3 percent, its highest level since October 2021.”
- “Adding to concerns is a slowing of wages, which increased just 0.2 percent in July. And while the 3.6 percent year-over-year wage gain remains above the 3.0 percent inflation rate...that gap is considerably narrower than it was earlier in the year.”
- “Jobs gains in the Leisure & Hospitality sector were modest, with just 23,000 new positions added and just 6,100 in the accommodations sector.”



The National Inflation Rate

- Consumer prices rose 2.9% for the 12 months ended in July, slowing from June's 3% annual gain, and the smallest 12-month increase since March 2021. On a monthly basis, prices rose 0.2% after posting a 0.1% decline in June.
- Shelter has been the biggest impediment to inflation's descent, accounting for more than one-third of the overall CPI. On an annual basis, the shelter index is up 5.1% through July, though has been steadily declining since peaking at 8.2% in March 2023. Excluding shelter, the CPI was up 1.7% for last 12 months.
- Energy prices (notably gasoline) were flat for July, while food prices continued to rise modestly with grocery prices up 0.1% and restaurant prices up just 0.2%. Services ticked up 0.3%, while used cars, medical care, airline fares, and apparel were among those that decreased from June.
- The Fed has wanted to see more sustained slowing inflation before loosening monetary policy, but the calculus has changed in recent months, as the labor market is slowing, and unemployment rose sharply in July.

Key Takeaways from CBRE's National Hotel Outlook

- “CBRE forecasts full-year 2024 revenue per available room (RevPAR) growth of 1.2%, down from 2% previously. Despite the reduction, the current outlook still implies sequentially improving trends from 0.5% growth in H1 2024 to 2.0% growth in 2H 2024. Weaker-than-expected leisure demand and slowing corporate profit growth are resulting in softer U.S. lodging demand; however, election-related events, growth in inbound international travel, and potentially a lower interest rate environment could support demand. Improvements in international travel should contribute to outperformance in airport and urban locations.”
- “CBRE’s baseline forecast anticipates GDP growth of 2.3% and average inflation of 3.1% in 2024, which are roughly in line and down 10 basis points (bps), respectively, compared to our forecast release in May. After stronger-than-expected GDP growth in Q2 2024, CBRE expects GDP growth to slow over the back half of 2024 and into 2025. Over time, the relative strength of the economy directly impacts the performance of the lodging industry; however, in the near term, downside risks are more prominent as softening consumer trends and competitive threats from lodging alternatives encroach on traditional lodging demand.”

Key Takeaways from CBRE's National Hotel Outlook (continued)

- “Q2 2024 RevPAR increased 2.2% to \$107.91, below our 2.5% expectation. Growth was supported by a shift in Easter and increased leisure travel driven by the solar eclipse. A 1.5% increase in average daily rate (ADR) coupled with a 0.5 percentage point increase in occupancy contributed to the growth in RevPAR.”
- “With the reduced outlook for 2024 RevPAR growth, CBRE currently expects nominal RevPAR of \$100.54, or 114.5% of 2019's pre-pandemic level. This RevPAR outlook is predicated on 1.1% ADR growth and a 0.1 percentage point increase in occupancy year over year.”
- “Given elevated development and financing costs, CBRE expects supply to increase at a compound annual growth rate (CAGR) of under 1% over the next three years. We expect increasing global wealth and muted supply growth to support solid lodging fundamentals in the longer term.”

Short Term Rentals

- “In July, the U.S. short-term rental (STR) market saw the highest ever number of listings and demand nights, and for the third month in a row increased occupancy on a year-over-year basis. Despite available listings reaching over 1.7 million during the month, the occupancy rate of 68.1% was the highest monthly occupancy since July of 2022, and only slightly lower than the pre-pandemic July 2019 occupancy rate (-0.6%).”
- “After years of declining occupancy since the record highs of 2021, AirDNA predicted that 2023 would mark the bottom of the STR cycle, with unit-level performance starting to improve. A calendar shift in March and April confused the picture somewhat, but with the past three months of YOY occupancy gains combined with an earlier Labor Day weekend and strong pacing for August mean that the 2024 summer travel season will almost assuredly have improvements over 2023.”
- “On the other hand, a trend of shortening lead times has led to existing operators keeping prices level. Hosts of new listings are also slightly undercutting market prices to ensure that rooms stay full. ADR on average was down slightly, -1.3% compared to July 2023, reversing a trend of RevPAR improvements and decreasing RevPAR by -0.9% YOY.”

Short Term Rentals (continued)

- **Key U.S. Short Term Rental Performance Metrics for July 2024**
 - Available listings were 1.71 million, up 6.6% YOY
 - Occupancy was 0.3% higher YOY at 63.7%
 - Average Daily Rates (ADR) decreased 1.3% YOY to \$332.20
 - Revenue per Available Rental (RevPAR) decreased 0.9% year-over-year (YOY) to \$226.38
 - Total demand (nights) rose 8.3% YOY
 - Nights booked increased by 7.7% YOY

AIRPORT DATA



BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT AIRPORT NON-STOP DESTINATIONS

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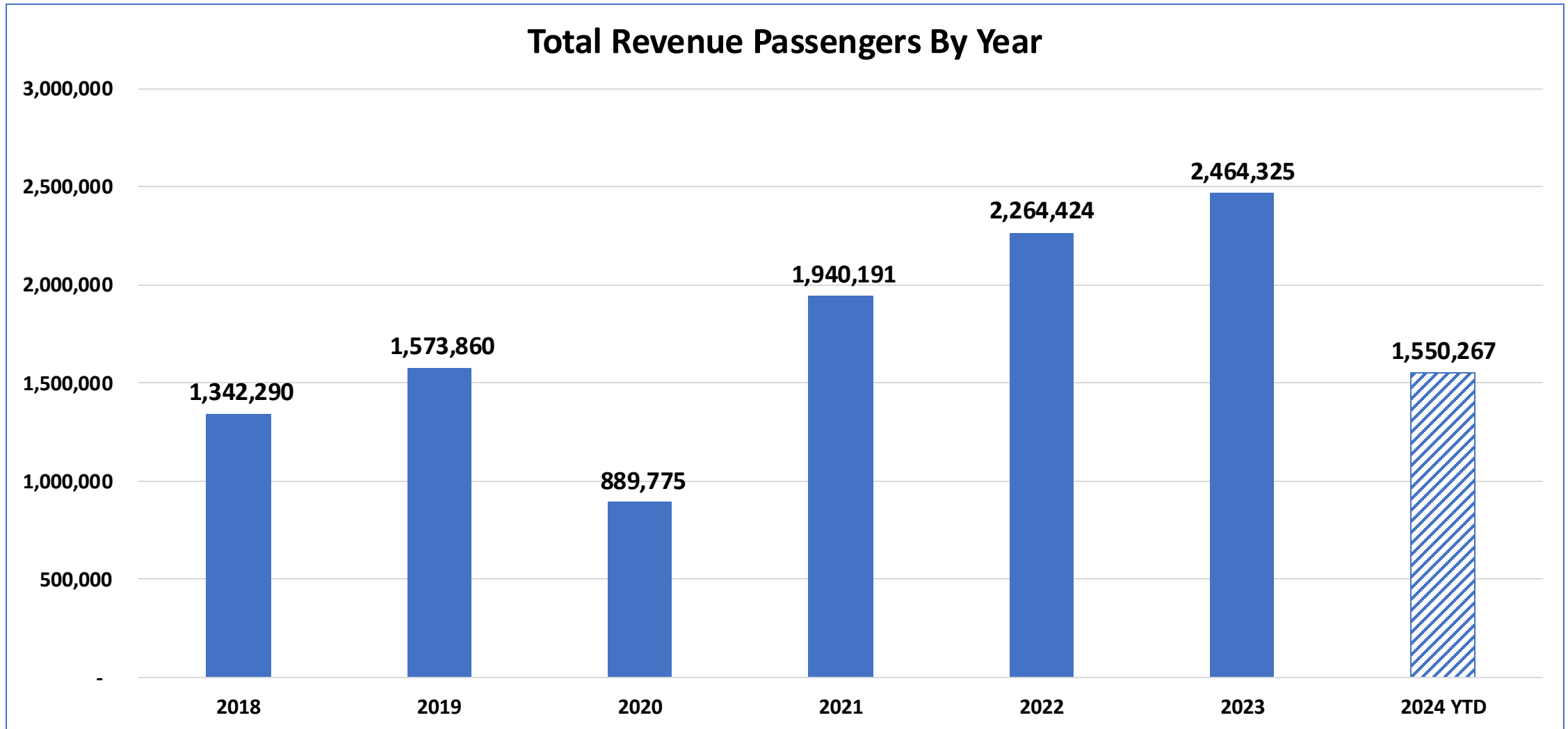


BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT - TOTAL PASSENGERS YEAR-TO-DATE



Total Revenue Passengers					
<u>Month</u>	<u>2024</u>	<u>2023</u>	<u>% Change vs. 2023</u>	<u>2022</u>	<u>% Change vs. 2022</u>
January	184,239	182,309	1.1%	167,043	10.3%
February	192,315	188,040	2.3%	171,096	12.4%
March	226,724	212,084	6.9%	206,216	9.9%
April	148,434	144,862	2.5%	140,031	6.0%
May	190,101	173,251	9.7%	165,145	15.1%
June	285,722	248,492	15.0%	225,410	26.8%
July	322,732	286,163	12.8%	256,234	26.0%
August		281,444		254,445	
September		234,589		203,844	
October		185,605		167,851	
November		142,205		132,939	
December		185,281		174,170	
Year-to-Date	1,550,267	1,435,201	8.0%	1,331,175	16.5%
Total		2,464,325		2,264,424	

BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT - YEARLY TOTAL PASSENGERS



(Jan-July 2024)

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**AIRDNA
DATA**



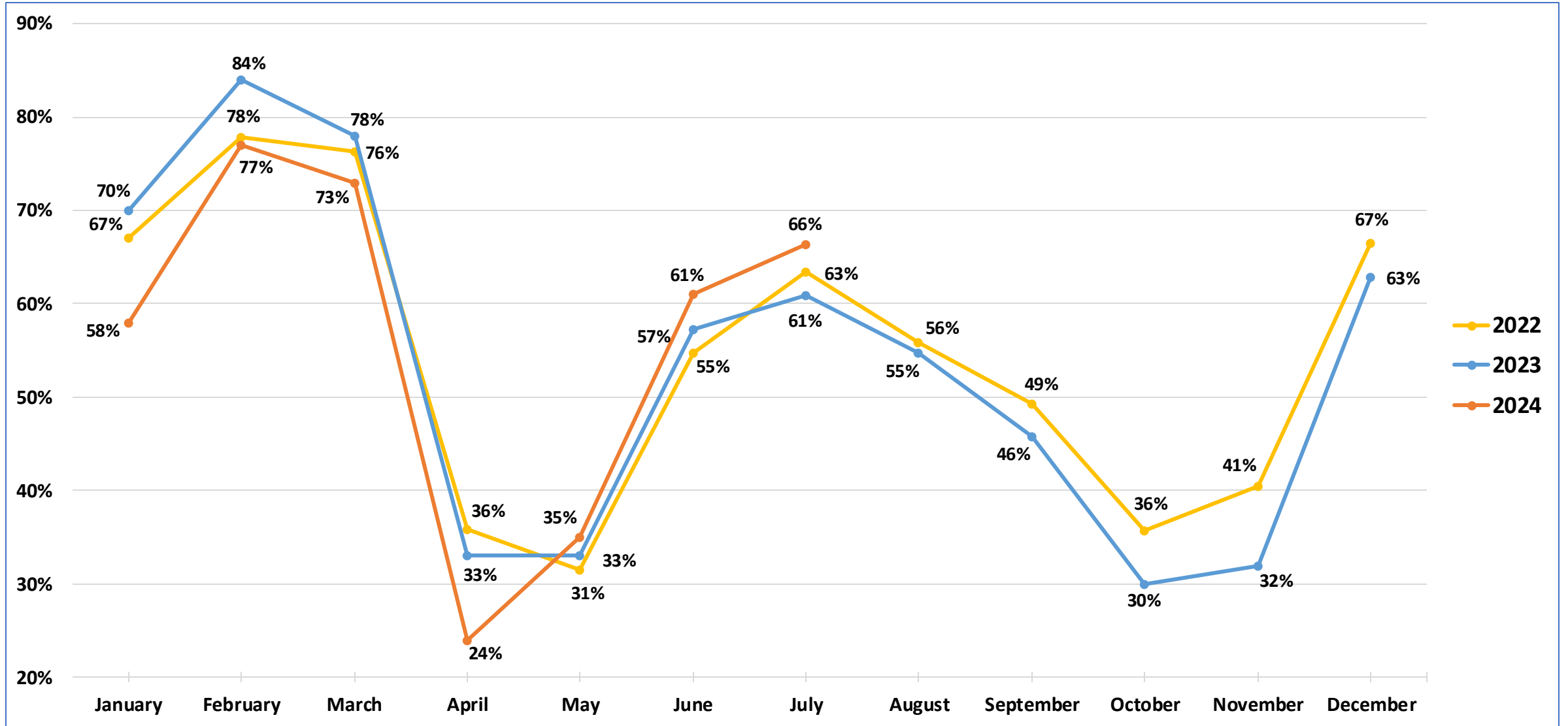
AIRDNA SHORT TERM RENTAL (INCLUDES AIRBNB & VRBO LISTINGS) DEFINITIONS

Definitions (provided by AirDNA)

- **Available Listings** – Total number of listings whose calendars had at least one day classified as available or reserved during the reporting period.
- **Average Daily Rate** – Average daily rate (ADR) of booked nights in USD (ADR = Total Revenue / Booked Nights).
- **Booked Listings** – Total number of listings that had at least one reservation during the reporting period.
- **Demand (Nights)** – Total number of Booked Nights during the reporting period.
- **Entire Place** – Type of listing in which guests have the whole home to themselves. This usually includes a bedroom, a bathroom, and a kitchen.
- **Hotel Comparable Listings** – Studio and one-bedroom Entire Home vacation rentals. AirDNA believes these are the type of listings most likely to compete directly with hotels.
- **LTM** – Last Twelve Months
- **Occupancy Rate** – Occupancy Rate = Total Booked Days / (Total Booked Days + Total Available Days). Calculation only includes vacation rentals with at least one Booked Night.
- **Private Room** – Type of listing in which guests have their own private room for sleeping. Other areas could be shared.
- **Revenue (USD)** – Total revenue (in US dollars) earned during the reporting period. Includes the advertised price from the time of booking, as well as cleaning fees.
- **RevPAR** – Revenue Per Available Rental = ADR * Occupancy Rate
- **Shared Room** – Type of listing in which guests sleep in a bedroom or a common area that could be shared with others.
- **Supply (Nights)** – Total number of Available Nights and Booked Nights from Active Listings.

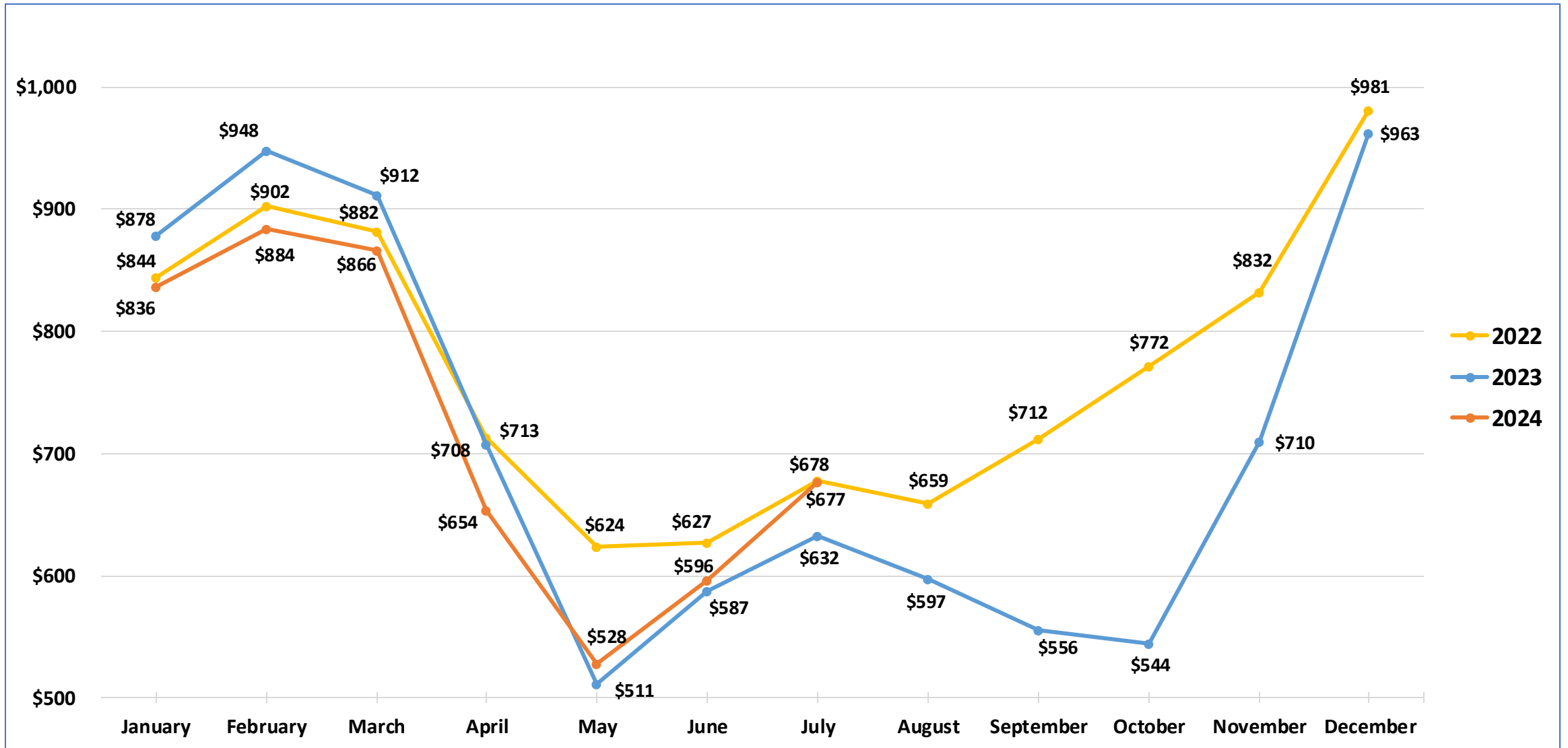
AIRDNA – OCCUPANCY (%) BY MONTH

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AIRDNA – AVERAGE DAILY RATE (\$) BY MONTH

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KEY DATA
DATA



KEY DATA DIRECT SOURCE LODGING PARTNERS



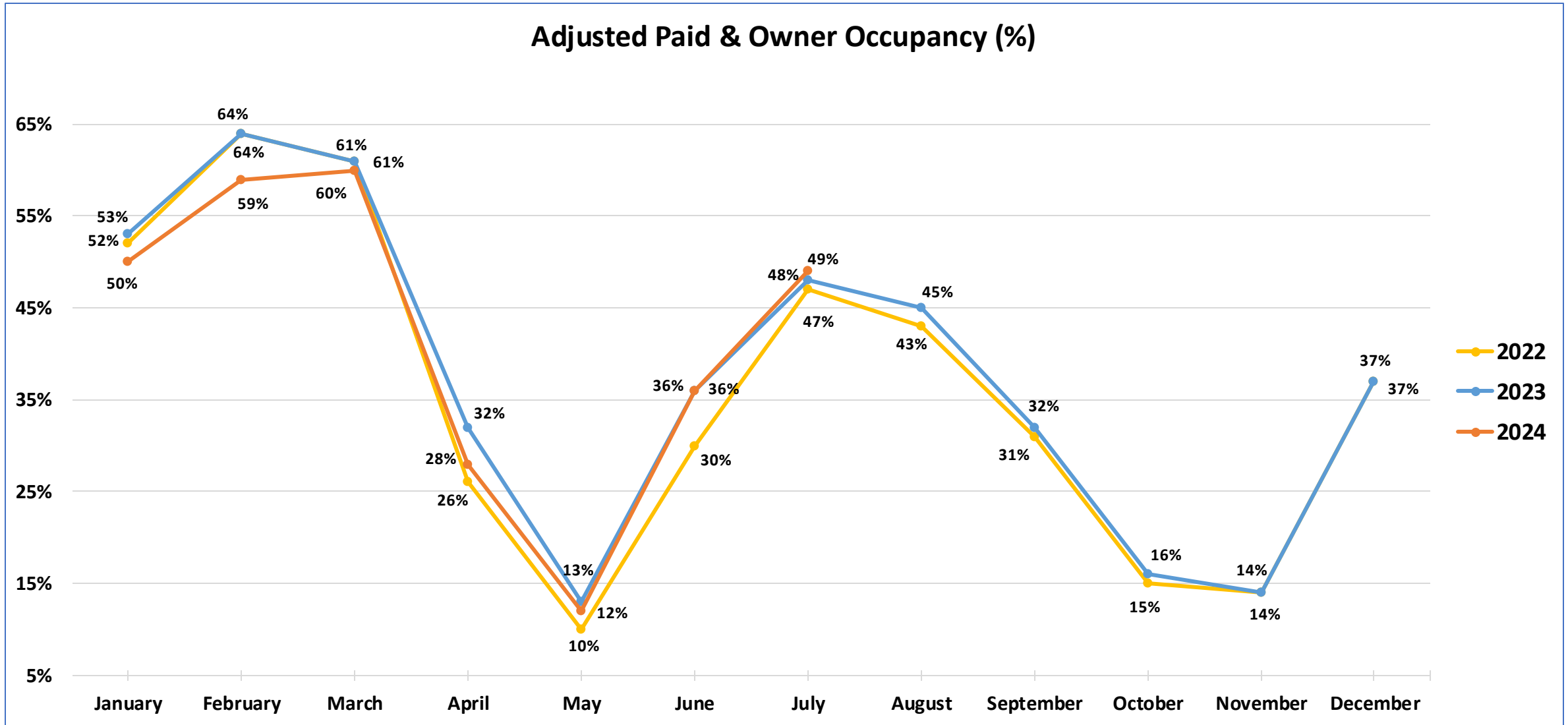
- Key Data currently partners with 12 Big Sky property management companies and hotels.
 - In total, this represents ~1,439 rental units in the Big Sky area.
 - All figures in the following slides are taken exclusively from the following 12 property management companies and hotels:
 - Big Sky Luxury Vacations, Big Sky Resort, Big Sky Vacation Rentals, EVOLVE, Lone Mountain Ranch, Montage Big Sky, Moonlight Basin, Natural Retreats, Stay Montana, Two Pines, Vacasa, and Wilson Peak Properties
- We hope to add additional property management companies to the platform in the future, which will improve data quality and increase the total rental unit count.

KEY DATA DIRECT SOURCE DEFINITIONS

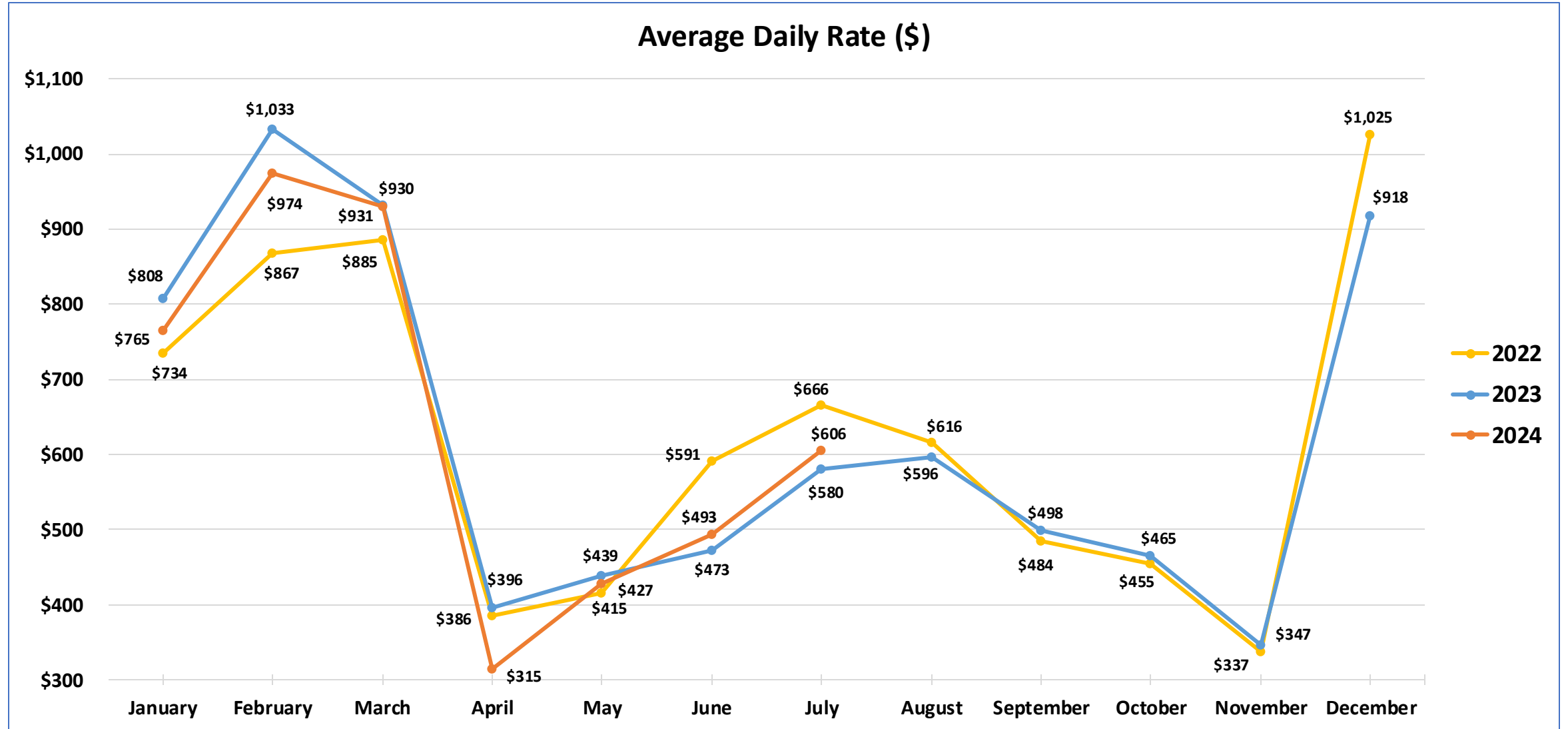
- **Average Daily Rate (ADR)** - The average Unit Revenue paid by guests for all the Nights Sold in a given period. ADR, along with the property's Occupancy, are the foundations for the property's financial performance.
 - = Total Unit Revenue / Nights Sold
- **Adjusted Paid & Owner Occupancy** - The percentage of nights occupied by guests and owners out of the Total Nights minus hold nights in the period.
 - = (Nights Sold + Owner Nights) / (Total Nights - Hold Nights)
- **Adjusted Revenue Per Available Room (RevPAR)** - A critical KPI for measuring revenue performance, RevPAR takes into account both the average rate at which you booked the property (ADR) and the number of nights it was booked (Occupancy). This provides a better indicator of overall performance when compared to looking at the ADR or the Occupancy alone.
 - = Occupancy x ADR (or) Total Unit Revenue / Nights Available in a given period
- **Average Revenue (Nightly)** - The amount charged to guests, excluding taxes. The total property revenue generated directly from the property rental, including any mandatory, non-discretionary or other charges automatically added to a guest account in which a guest has no ability to “opt-out.”

KEY DATA – OCCUPANCY (%) BY MONTH

Adjusted Paid & Owner Occupancy (%)



KEY DATA – AVERAGE DAILY RATE (\$) BY MONTH

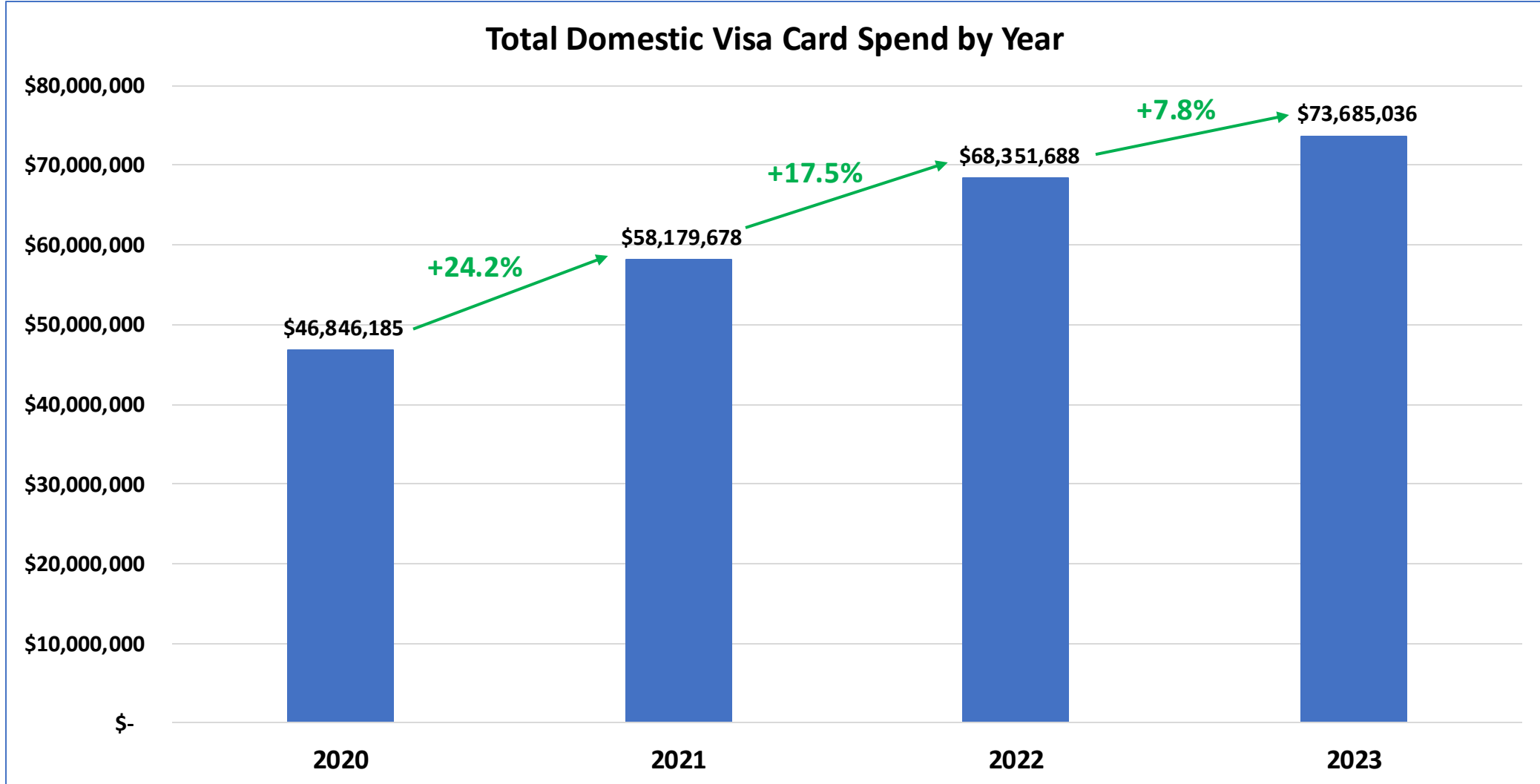


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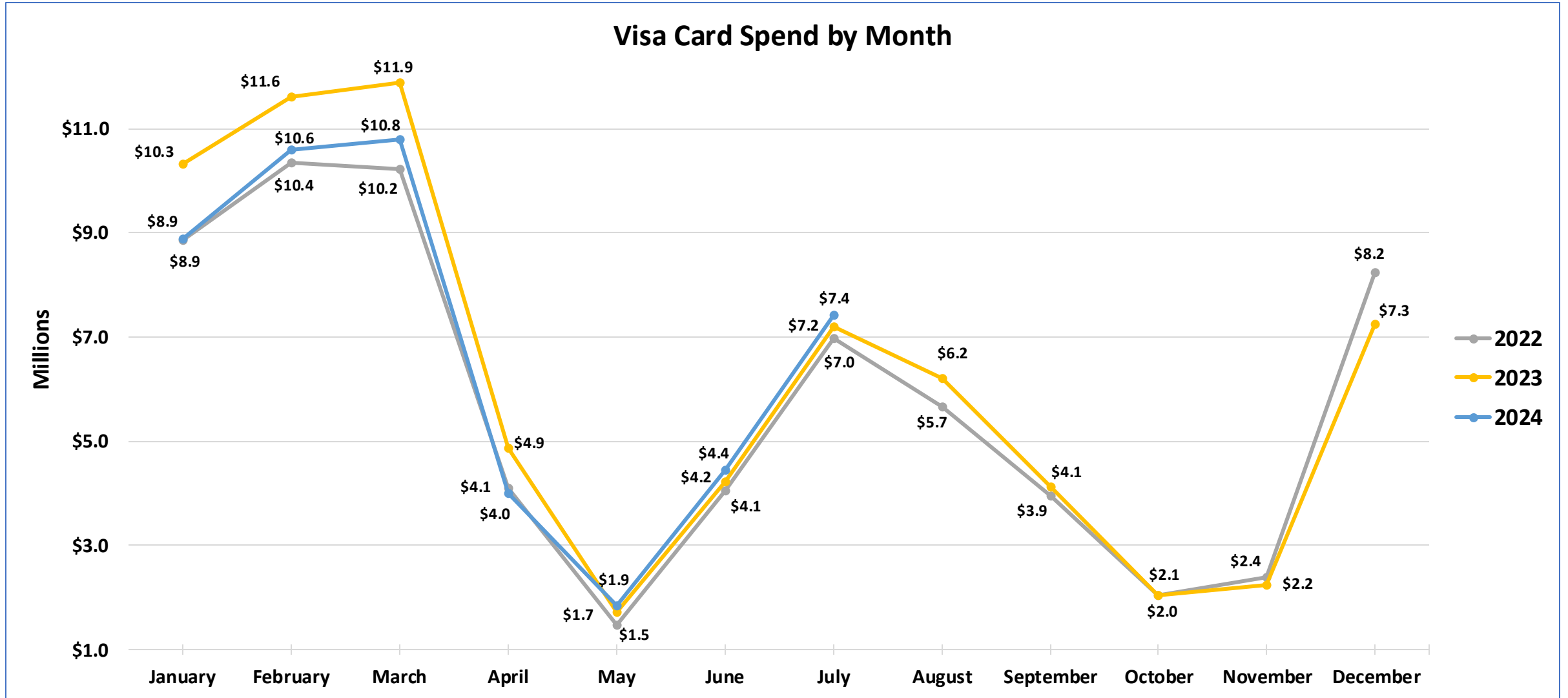
VISA DESTINATION INSIGHTS



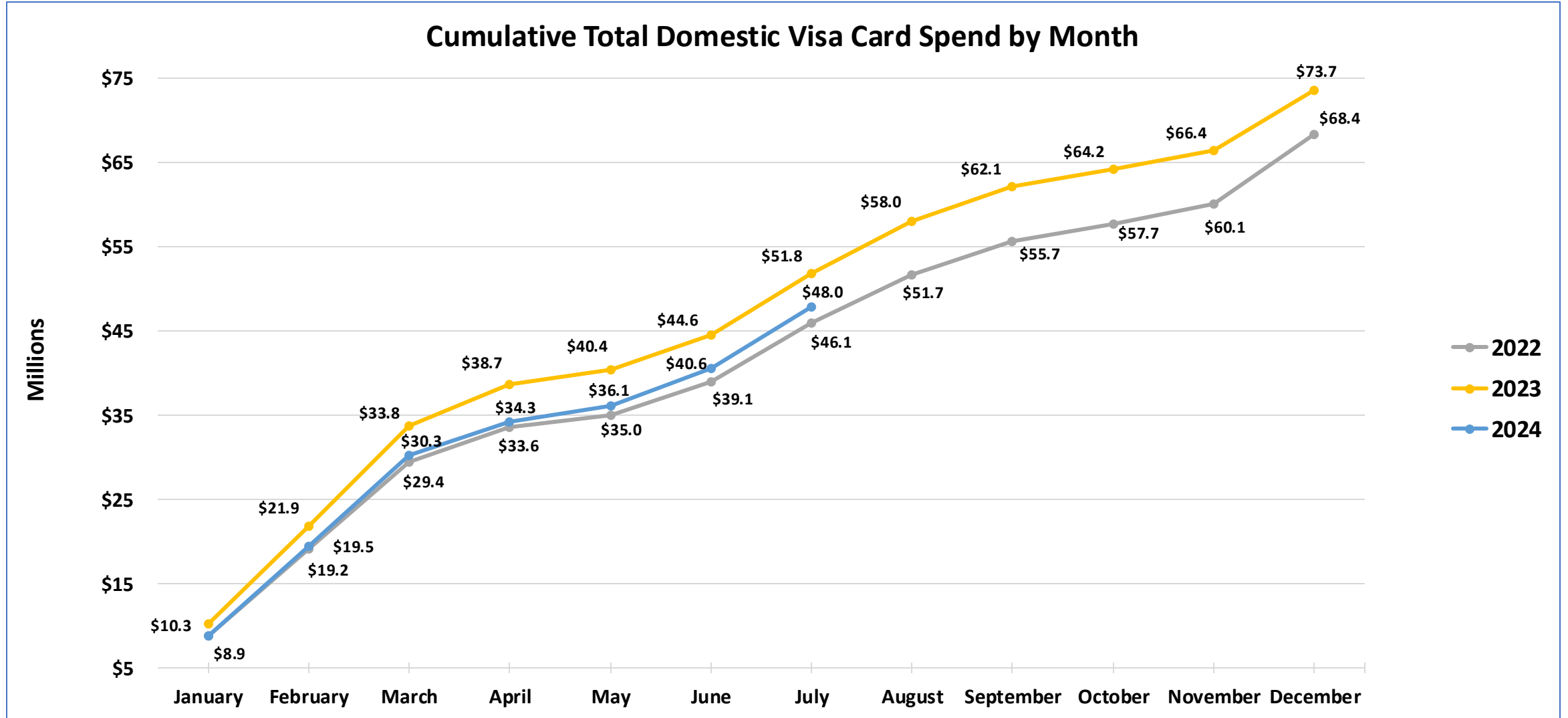
VISA VUE – TOTAL DOMESTIC VISA CARD SPEND DATA BY YEAR



VISA VUE – TOTAL DOMESTIC VISA CARD SPEND DATA (Spend by Month)



VISA VUE – TOTAL DOMESTIC VISA CARD SPEND DATA (Cumulative Spend by Month)

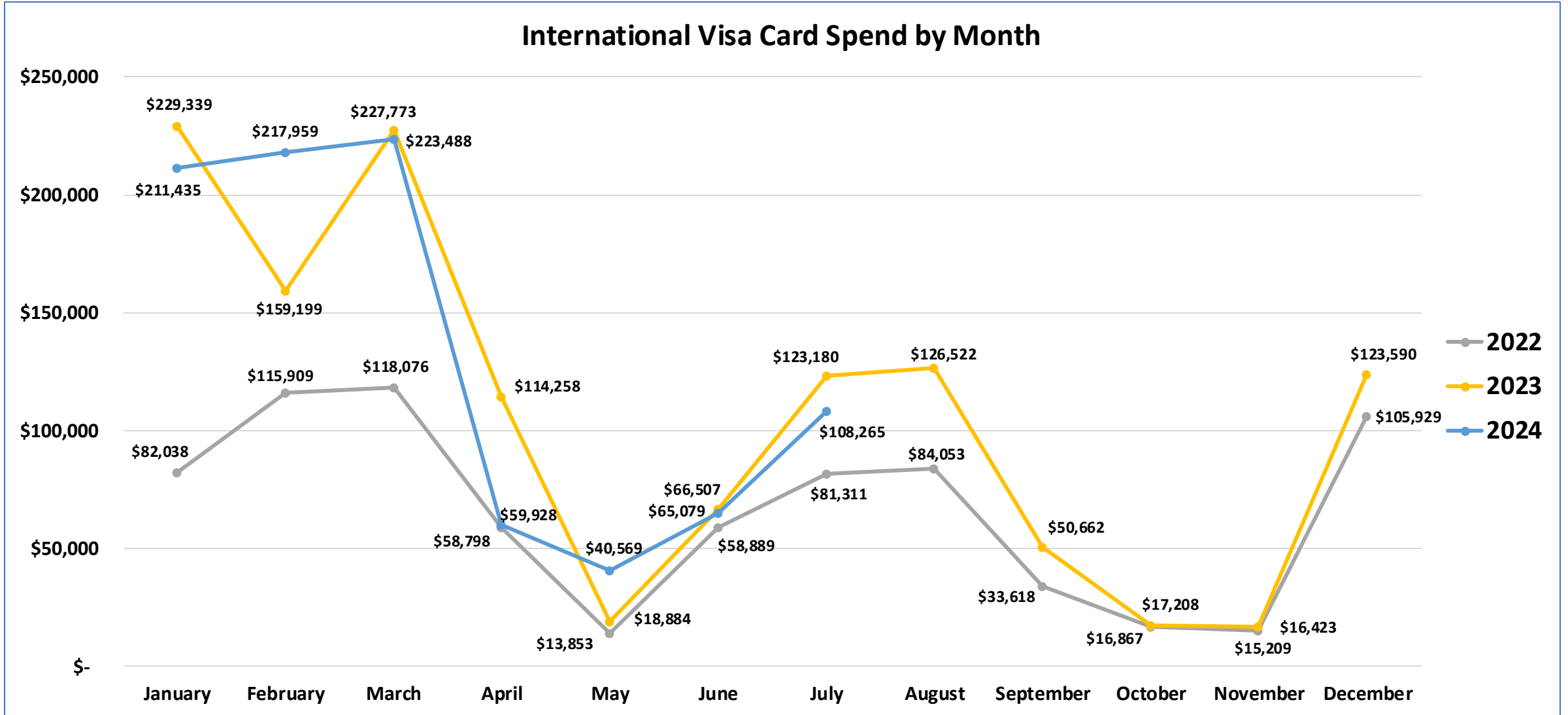


VISA VUE – 2024 YEAR-TO-DATE VISA CARD SPEND DATA - Spend by Market 2024 YTD (January-July)

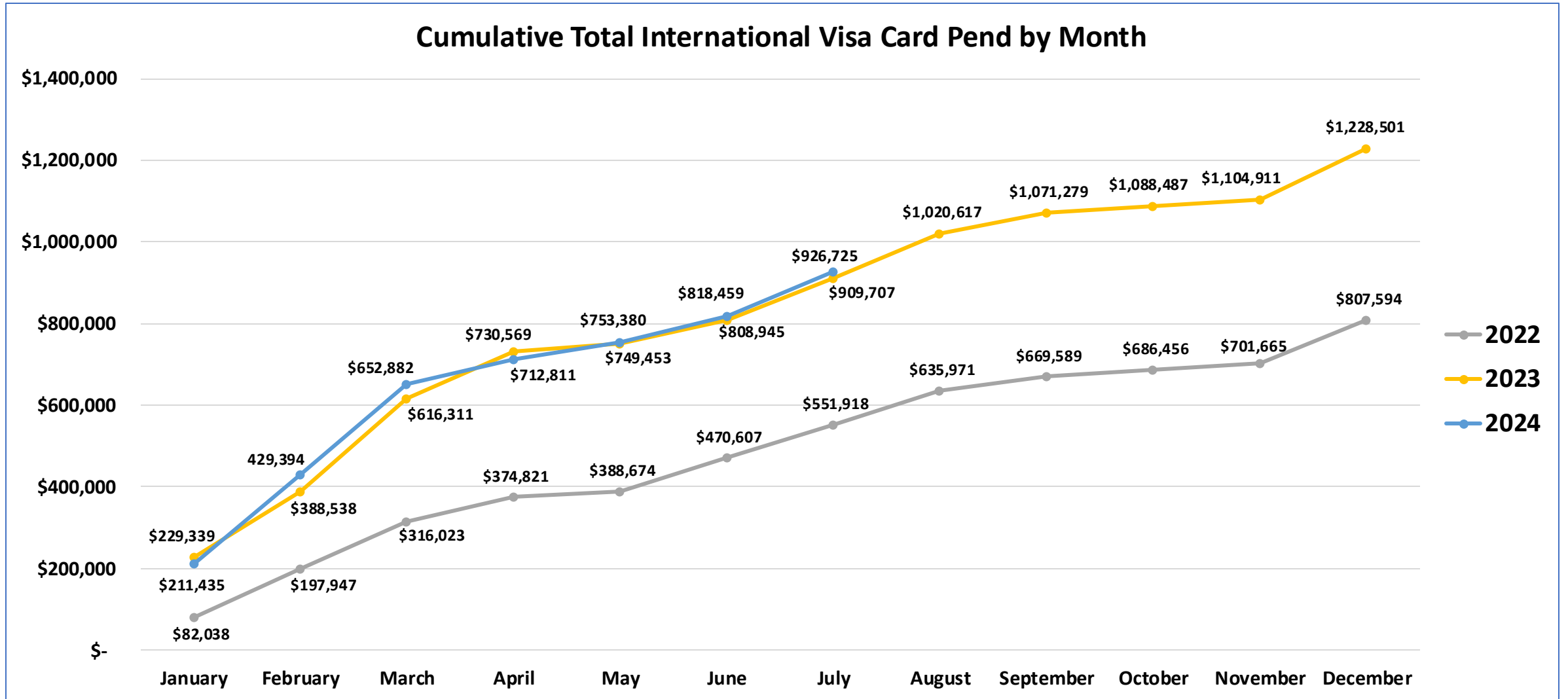


Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Bozeman, MT	\$14,397,570	-4%	38,400	-2%
2	New York-Newark-Jersey City, NY-NJ-PA	\$2,273,354	-5%	7,285	+5%
3	Chicago-Naperville-Elgin, IL-IN-WI	\$1,620,657	0%	4,424	+2%
4	Los Angeles-Long Beach-Anaheim, CA	\$1,496,473	-10%	5,291	+3%
5	Seattle-Tacoma-Bellevue, WA	\$1,000,147	-19%	4,310	-9%
6	San Francisco-Oakland-Berkeley, CA	\$988,493	0%	3,357	-2%
7	Boston-Cambridge-Newton, MA-NH	\$945,452	-14%	3,037	-12%
8	Denver-Aurora-Lakewood, CO	\$829,468	-17%	4,287	-12%
9	Minneapolis-St. Paul-Bloomington, MN-WI	\$828,833	-11%	6,681	+85%
10	Washington-Arlington-Alexandria, DC-VA-MD	\$751,487	-9%	2,370	+6%

VISA VUE – TOTAL INTERNATIONAL VISA CARD SPEND DATA (Spend by Month)



VISA VUE – TOTAL INTERNATIONAL VISA CARD SPEND DATA (Cumulative Spend by Month)



VISA VUE – 2024 YEAR-TO-DATE VISA CARD SPEND DATA - Spend by International Market 2024 YTD (January-July)

Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Canada	\$368,852	+5%	1,427	+17%
2	Australia	\$109,517	-27%	280	-5%
3	United Kingdom	\$56,144	0%	224	+38%
4	Mexico	\$51,156	+8%	151	+34%
5	Germany	\$35,418	+22%	98	+24%
6	New Zealand	\$33,563	-5%	103	-6%
7	Puerto Rico	\$23,458	-21%	39	-30%
8	Brazil	\$17,475	+105%	44	+76%
9	China (mainland)	\$16,933	-14%	90	+36%
10	Switzerland	\$14,282	+33%	45	+41%

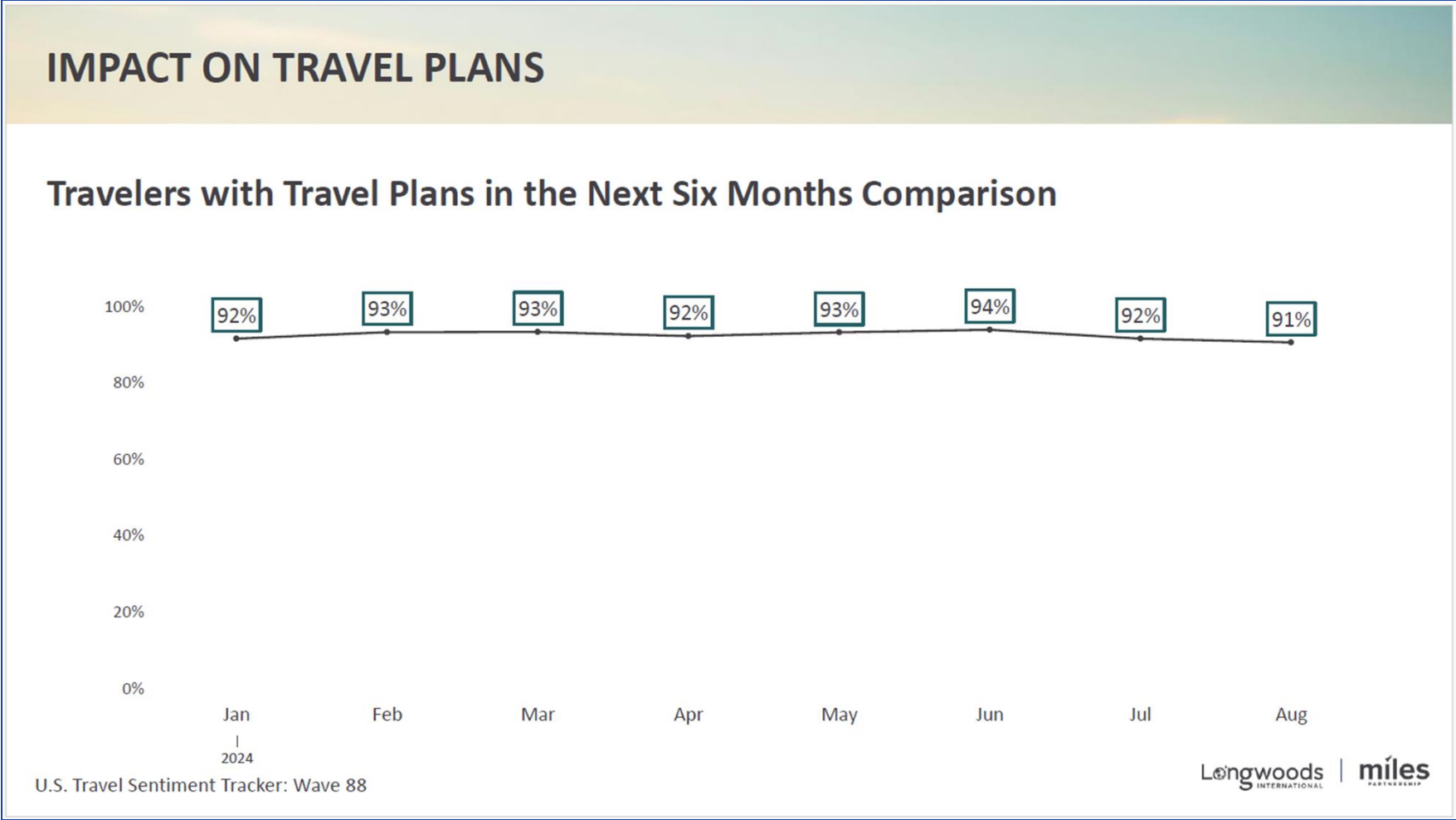
**CONSUMER
SENTIMENT DATA**

**LONGWOODS
INTERNATIONAL**



TRAVEL SENTIMENT STUDY WAVE 88

*Survey fielded August 6, 2024; US National Sample of 1,000 adults 18+



Source: Longwoods International

TRAVEL SENTIMENT STUDY WAVE 88

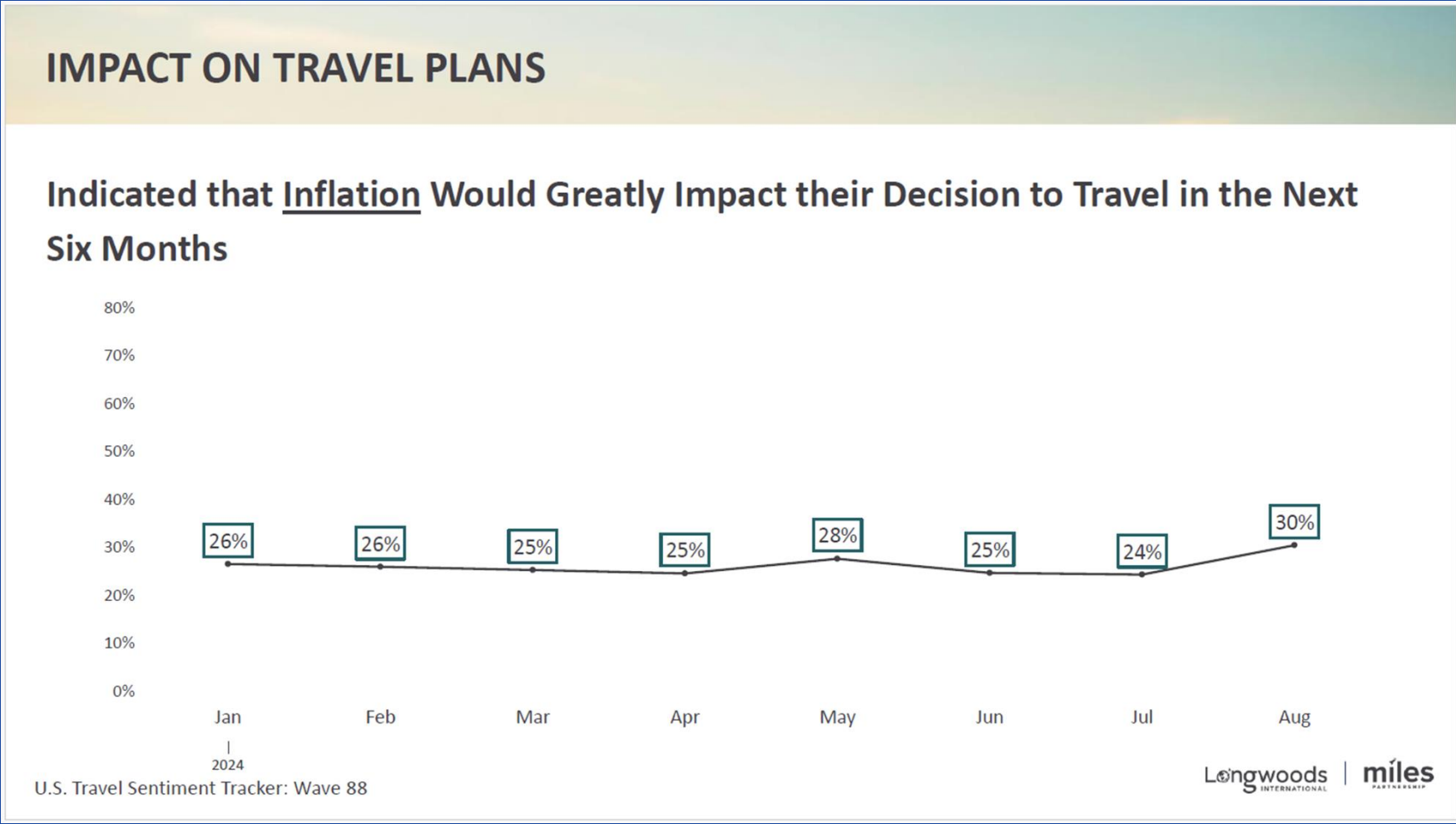
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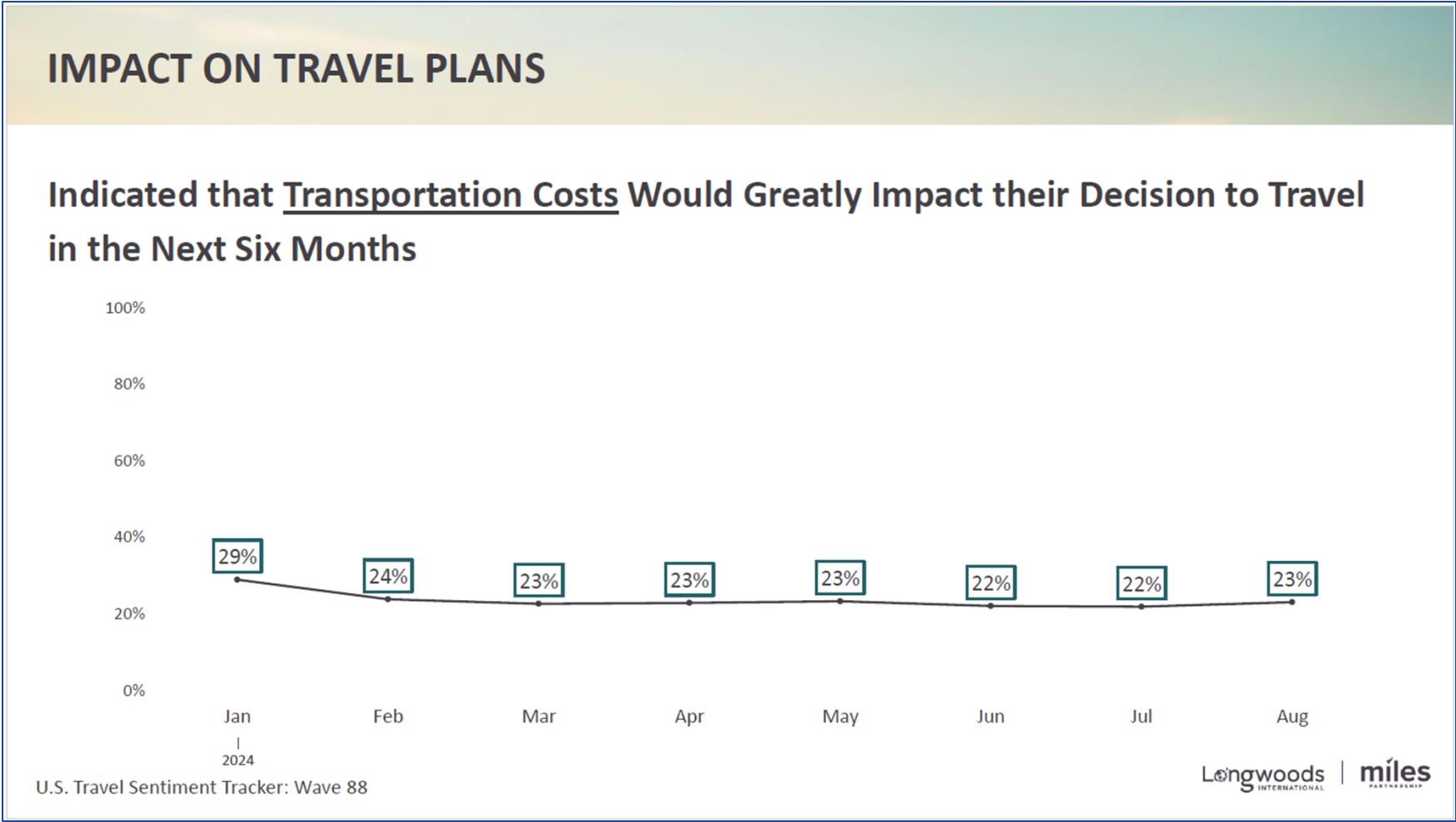
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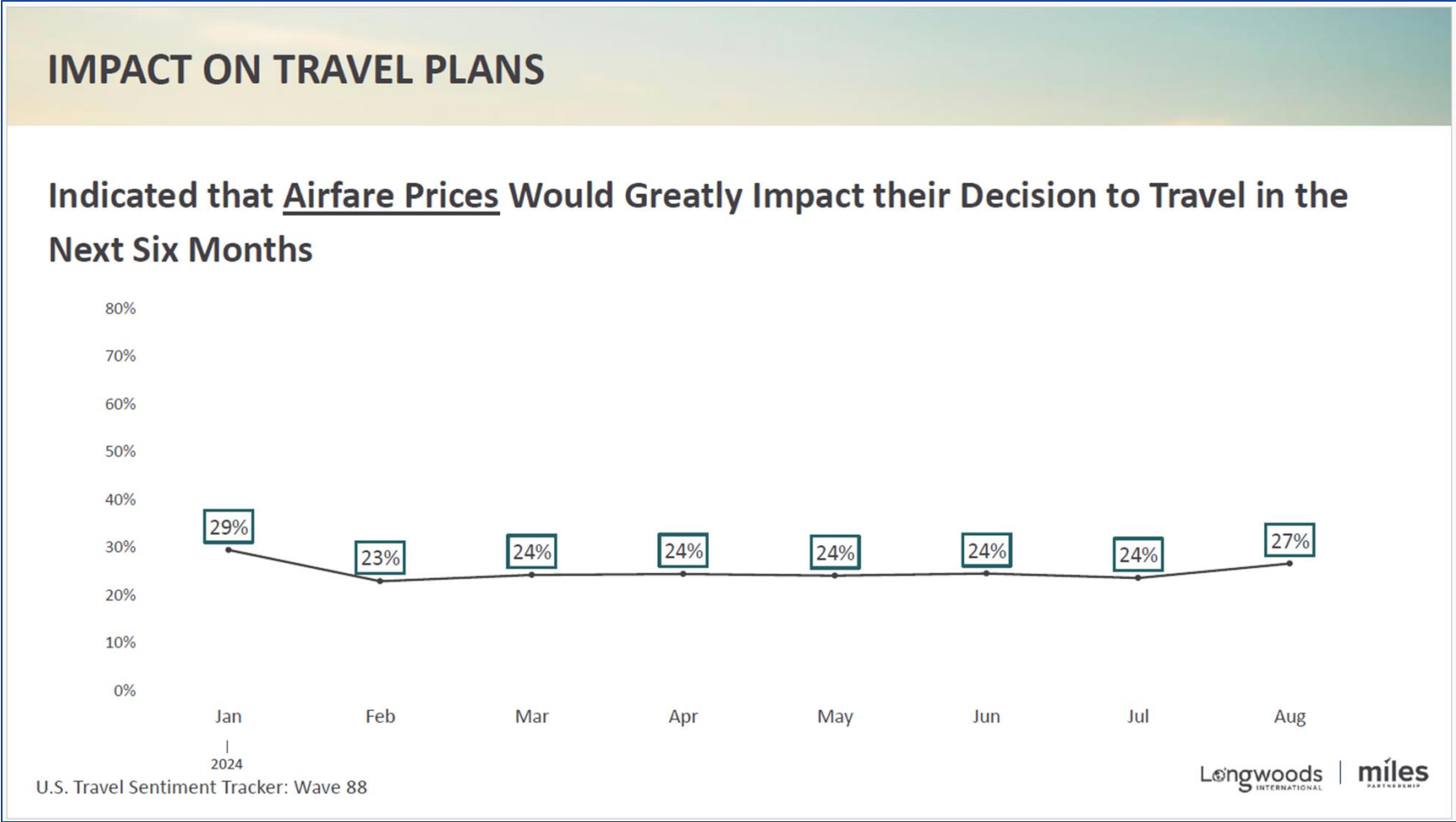
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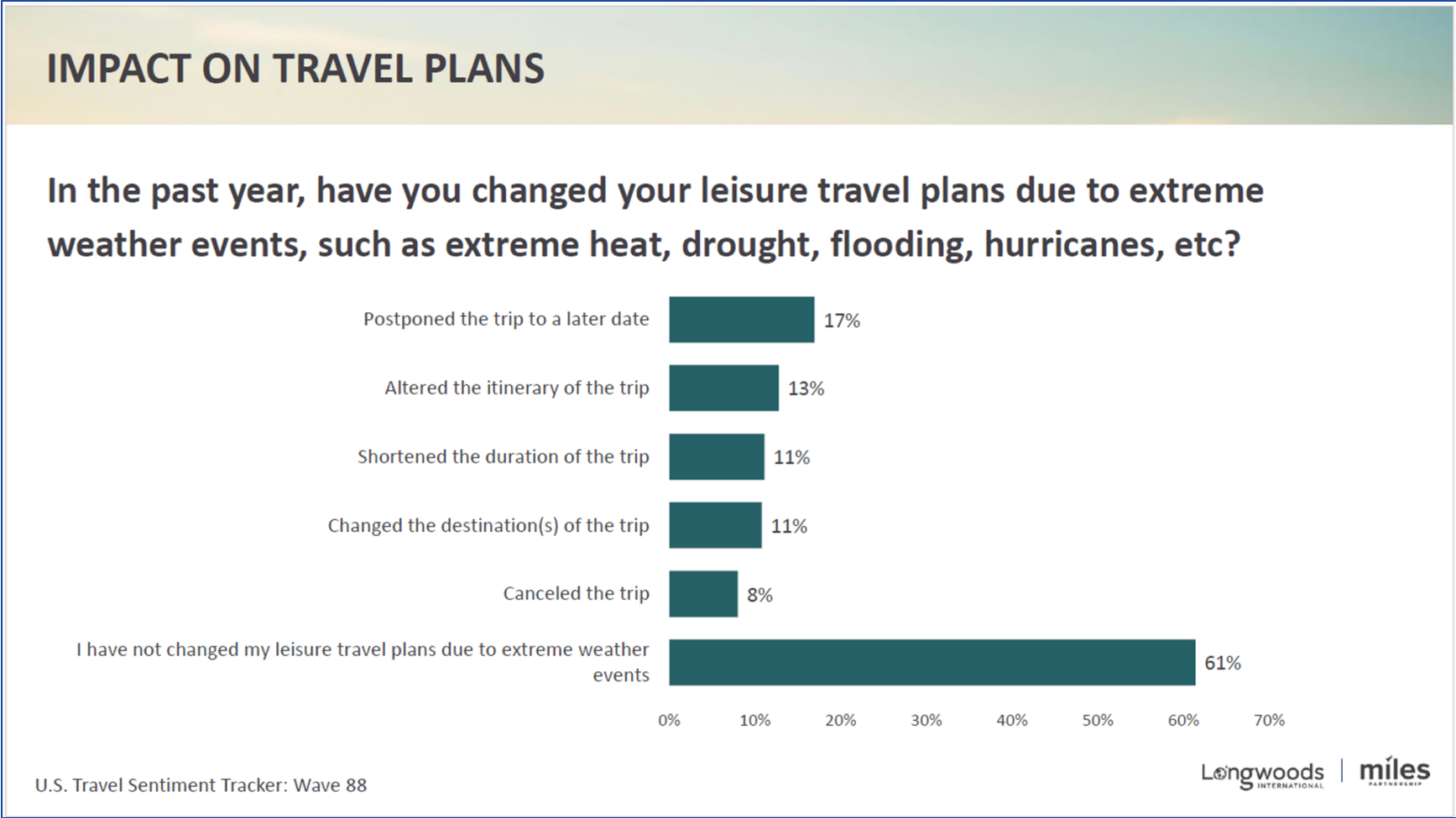
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TRAVEL SENTIMENT STUDY WAVE 88

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