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RESEARCH UPDATE

APRIL 2024 REVIEW

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Big Sky Travel & Tourism Trends

- 148,434 total revenue passengers passed through the Bozeman Yellowstone International Airport in April 2024, a gain of 2.5% compared to the same month last year.
 - Total revenue passengers are up 3.4% Year-To-Date (YTD) in 2024 compared to YTD 2023.
- Occupancy at Airbnb and Vrbo short term rentals in Big Sky fell from 37% in April of 2023 to 24% in April 2024. Average Daily Rate at those same properties declined from \$746 in April of 2023 to \$663 in April of 2024.
- Professionally managed short-term rentals experienced a similar trend, with Occupancy dropping from 32% last April to 28% this April. In addition, Average Daily Rate fell from \$394 in April of 2023 to \$324 in April of 2024.
- Visa credit card spend in Big Sky decreased by more than \$1 million YoY in March of 2024, with \$10.8 million being spent by domestic visitors and residents in the month. International Visa card spend decreased slightly YoY, with \$223,488 being spent during the month of March 2024.

West Region Mountain Market Summary

- “April marks the end of the winter season, and despite the best efforts of resort operators, many factors determining the success of the season were largely out of their hands, most notably snow and the economy, as both experienced a slowdown in the month.”
- “Snowfall was light and sporadic for the early-to-mid season, picked up in February in most destinations, and carried over into early March. With the season’s best conditions, abundant snowfall, an Easter holiday shift, and spring break all happening at once, March was the strongest demand month of the winter, with high compression in the latter half driving strong occupancy and revenue gains.”
- “But the momentum wasn’t sustainable, and in a reversal of trend, April had minimal snowfall across most mountain destinations, and the Easter shift created a void that couldn’t be filled. But a few lucky resorts were able to extend closing dates due to atmospheric-based blessings, but not nearly enough to turn the month positive.”
- “April occupancy was down -11.0 percent YOY at 29.8 percent, though strong rates, building on an all-time high from last season, stayed steady throughout the season and realized a gain of 2.8 percent YOY. Despite the ADR gains, the impact of soft occupancy on revenue could not be mitigated and seasonal revenue ended down -1.6 percent.”

Macroeconomic Trends

- “Economic news in April brought another round of stalling on the part of the Federal Reserve. According to the Bureau of Labor Statistics (BLS), 175,000 new jobs were added to the U.S. economy in April. While still a relatively solid number of jobs, it represented a notable decline from the 315,000 jobs added in the previous month. It’s low enough to increase the unemployment rate slightly to 3.9%, up from 3.8% in March.”
- “At the same time, inflation, as measured by the year-over-year (YOY) change in the consumer price index, came in at 3.4%. That’s down from 3.5% in March but still too high to signal that rates can be cut immediately without risking further price increases. This rate is particularly important to the short-term rental industry because it is considered to influence mortgage lending rates.”
- “According to an analysis of mortgage data from Recursion Co, mortgage loans fell to the lowest level of the current century in 2023. This is due in part to central bank rates reaching their highest in 23 years. The stagnant inflation figure has given economists some confidence that the rates could see cuts later in the year.”

Macroeconomic Trends (continued)

- “The Dow Jones Industrial Average (DJIA) declined in April, down -5.0 percent or 1,991.45 points, to close the month at 37,815.92, due in part to Main Street’s reaction to economic conditions, with consumers pulling back.
- The Consumer Confidence Index (CCI) declined last month, down -5.9 percent, and after an adjustment to March’s numbers, April ended the month at 97.0 points. This is the first time CCI is under 100 points since October 2023. To contextualize the survey responses, Dana M. Peterson, Chief Economist at The Conference Board said, “In the month, confidence declined among consumers of all age groups and almost all income groups.”

Takeaways from CBREs National Hotel Outlook

- “CBRE forecasts full-year 2024 revenue per available room (RevPAR) growth of 2%, down from 3% previously. The full-year forecast represents approximately a 2% decline in Q1 2024, followed by progressively stronger trends over the balance of the year fueled by a more favorable holiday calendar, special events like the eclipse, continued improvement in inbound international travel, and limited supply growth. Improvements in inbound international visitation should support outperformance in urban and airport locations.”
- “CBRE’s baseline forecast anticipates GDP growth of 2.3% and average inflation of 3.2% in 2024, which have been revised by +76 basis points and +71 basis points, respectively, since our forecast release in February. The positive GDP revision suggests that the balance of 2024 should be solid following Q1’s weaker-than-expected results. Over time, the relative strength of the economy directly impacts the performance of the lodging industry.”

Takeaways from CBREs National Hotel Outlook (continued)

- “In Q1 2024, the U.S. economy grew at an annualized rate of 1.6%, missing consensus expectations of 2.5% growth. The slowdown in the economy was evident in the 2.1% drop in RevPAR for the quarter, falling to \$90.74. A 0.1% decline in average daily rate (ADR) coupled with a 1.2 p.p. decrease in occupancy contributed to the pullback in RevPAR. The greater-than-expected decrease in RevPAR was attributed to slower GDP growth coupled with more persistent inflation as well as the shift in the Easter holiday.”
- “Despite the reduced outlook for 2024 RevPAR growth, CBRE still expects record nominal RevPAR of \$101.20, or 115% of 2019’s pre-pandemic level. This RevPAR outlook is predicated on 1.7% ADR growth and a 0.1 p.p. increase in occupancy.”
- “CBRE expects cyclically low supply growth of less than 1% in 2024, and muted supply growth in the medium term due to elevated financing and construction costs. The continued uptick in inbound international travel over the busy summer holiday season, coupled with improvement in group and corporate demand against the backdrop of limited supply should support overall RevPAR growth in 2024.”

Short Term Rentals

- “The strong short-term rental (STR) market performance seen in March came with a catch: some of the demand was due strictly to the calendar shift that moved Easter, and many spring break vacations along with it, from April to March.”
- “This meant that March had the second-highest demand growth seen in the last year (after February) and that 2024’s April had fewer spring breaks scheduled than last year. As a result, demand growth swerved from a strong 10.5% in March to just 0.4% in April.”
- “A similar pattern emerged at the beginning of the year when a cold snap and poor snow-pack conditions in January led many to put off ski trips and winter vacations until February.”
- “So far, 2024 has seen a highly volatile pattern of demand growth. However, when you average the first four months of 2024 against the first four months of 2023, we see an upward trajectory.”

U.S MARKET REVIEW

Short Term Rentals (continued)

- **Key U.S. Short Term Rental Performance Metrics for April 2024**
 - RevPAR decreased 6.1% year-over-year (YOY) to \$153.25
 - Available listings were 1.64 million, up 8.7% YOY
 - Total demand (nights) rose 0.4% YOY
 - Occupancy was 8.4% lower YOY at 50.0%
 - ADR increased 2.4% YOY to \$306.39
 - Nights booked increased by 7.6% YOY

AIRPORT DATA



BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT AIRPORT NON-STOP DESTINATIONS

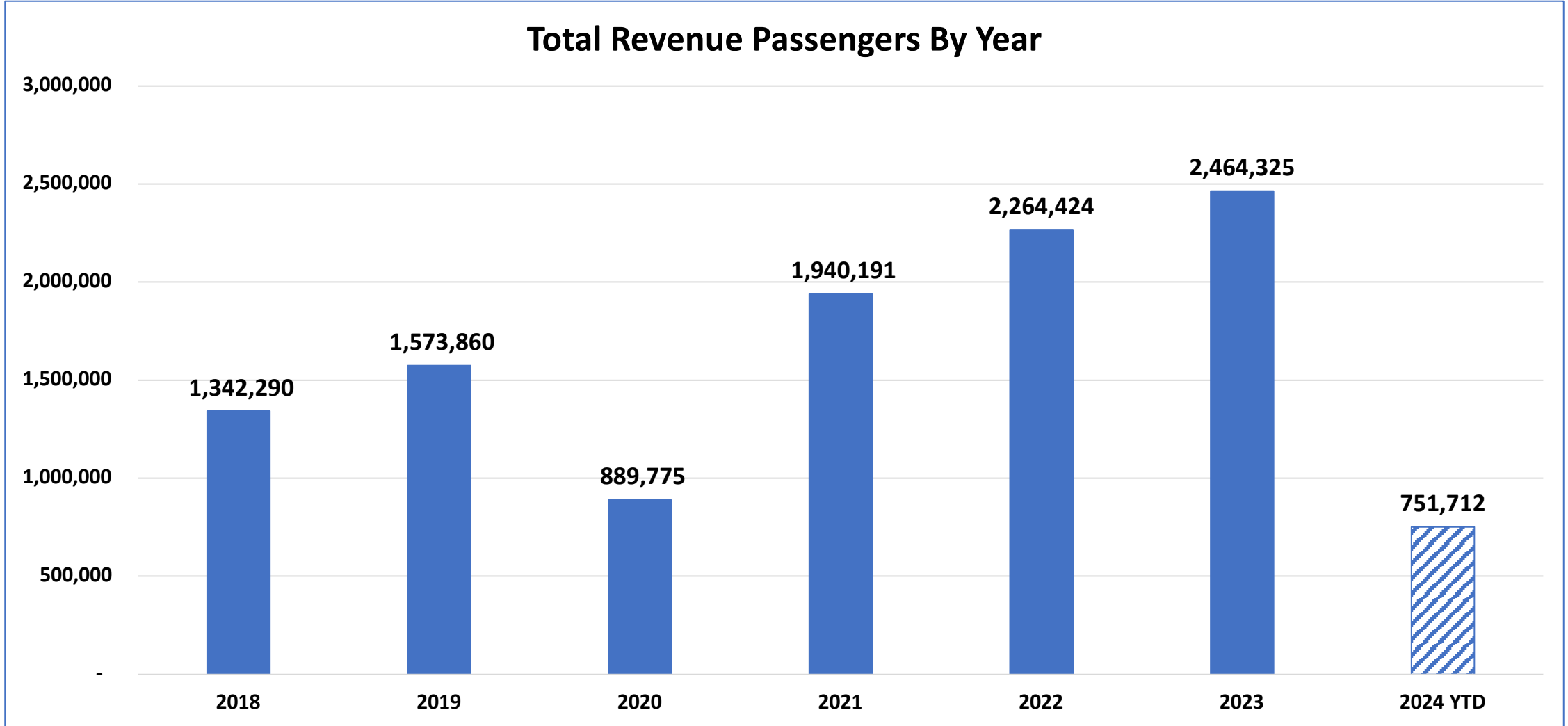
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BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT - TOTAL PASSENGERS YEAR-TO-DATE

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		173,251		165,145	
June		248,492		225,410	
July		286,163		256,234	
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	751,712	727,295	3.4%	684,386	9.8%
Total		2,464,325		2,264,424	

BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT - YEARLY TOTAL PASSENGERS



(Jan-April 2024)

Source: Bozeman Yellowstone International Airport

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**AIRDNA
DATA**



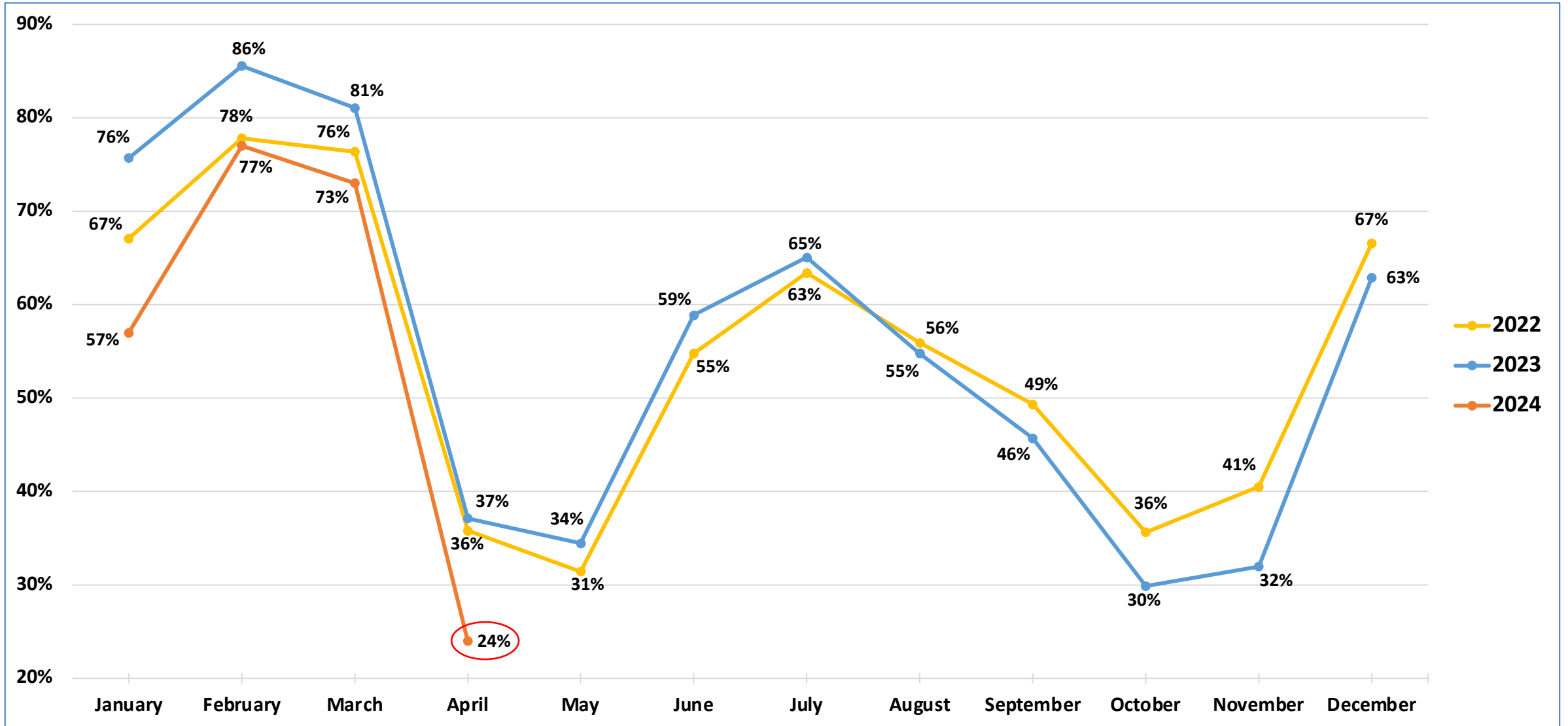
AIRDNA SHORT TERM RENTAL (INCLUDES AIRBNB & VRBO LISTINGS) DEFINITIONS

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.

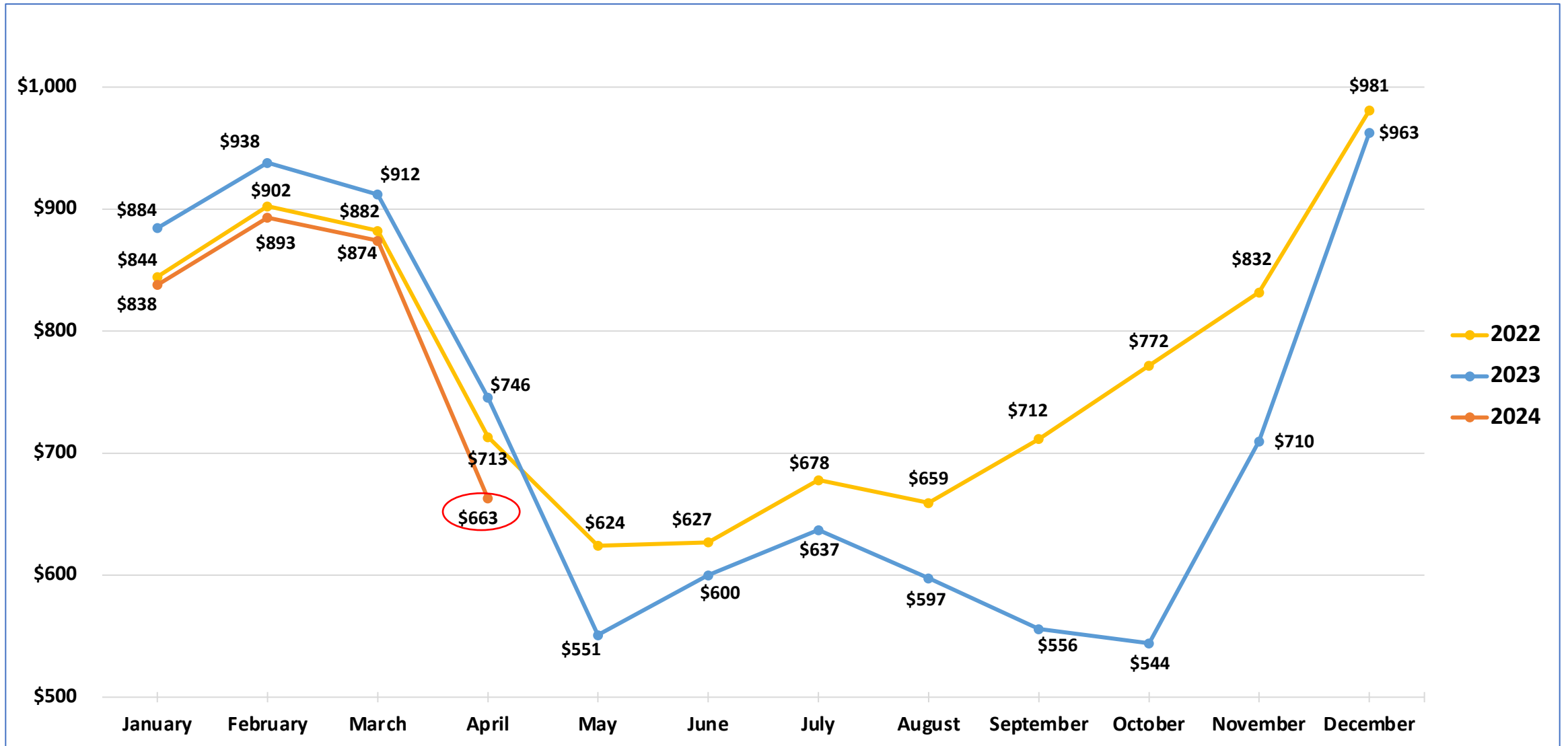
AIRDNA – OCCUPANCY (%) BY MONTH

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AIRDNA – AVERAGE DAILY RATE (\$) BY MONTH

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KEY DATA
DATA



KEY DATA DIRECT SOURCE LODGING PARTNERS

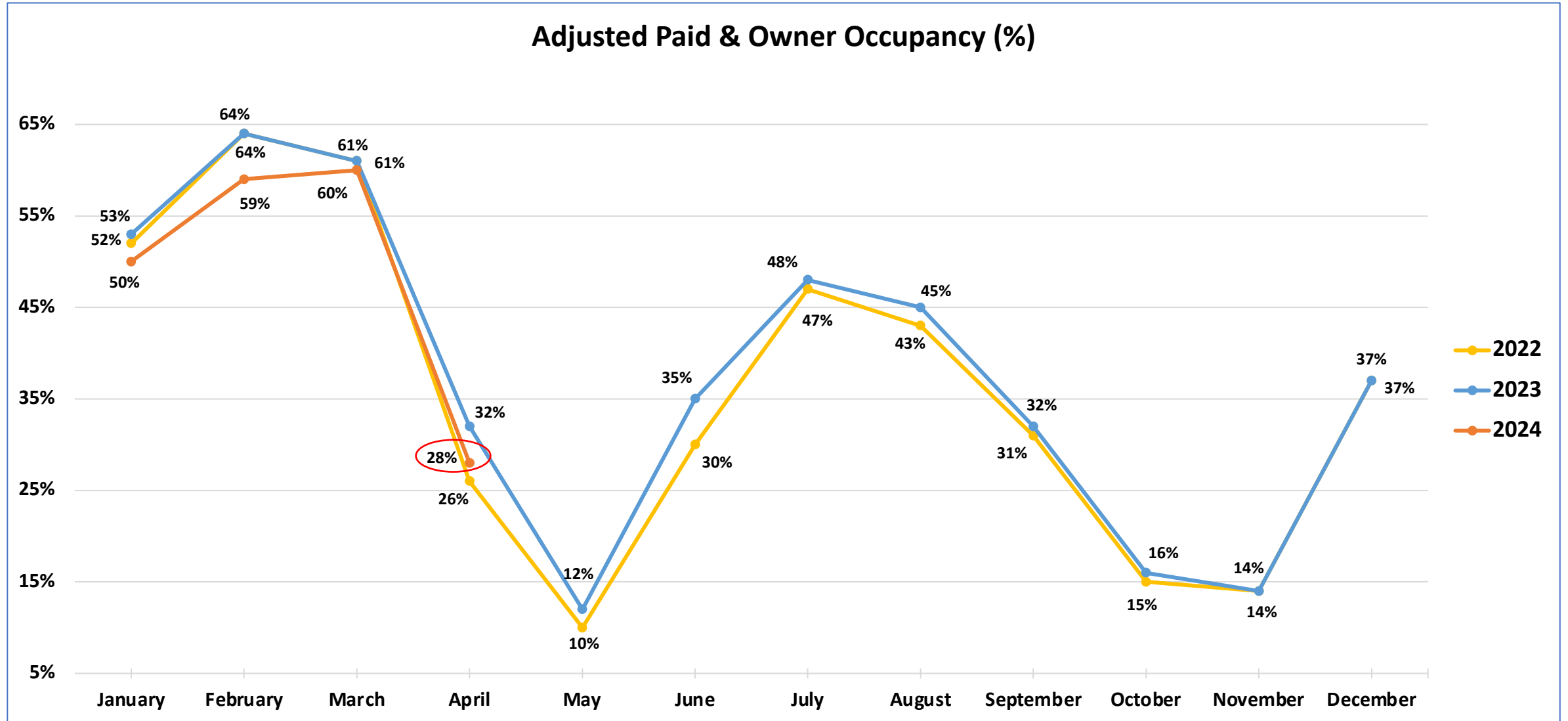


- Key Data currently partners with 12 Big Sky property management companies and hotels.
 - In total, this represents ~1,439 rental units in the Big Sky area.
 - All figures in the following slides are taken exclusively from the following 12 property management companies and hotels:
 - Big Sky Luxury 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.

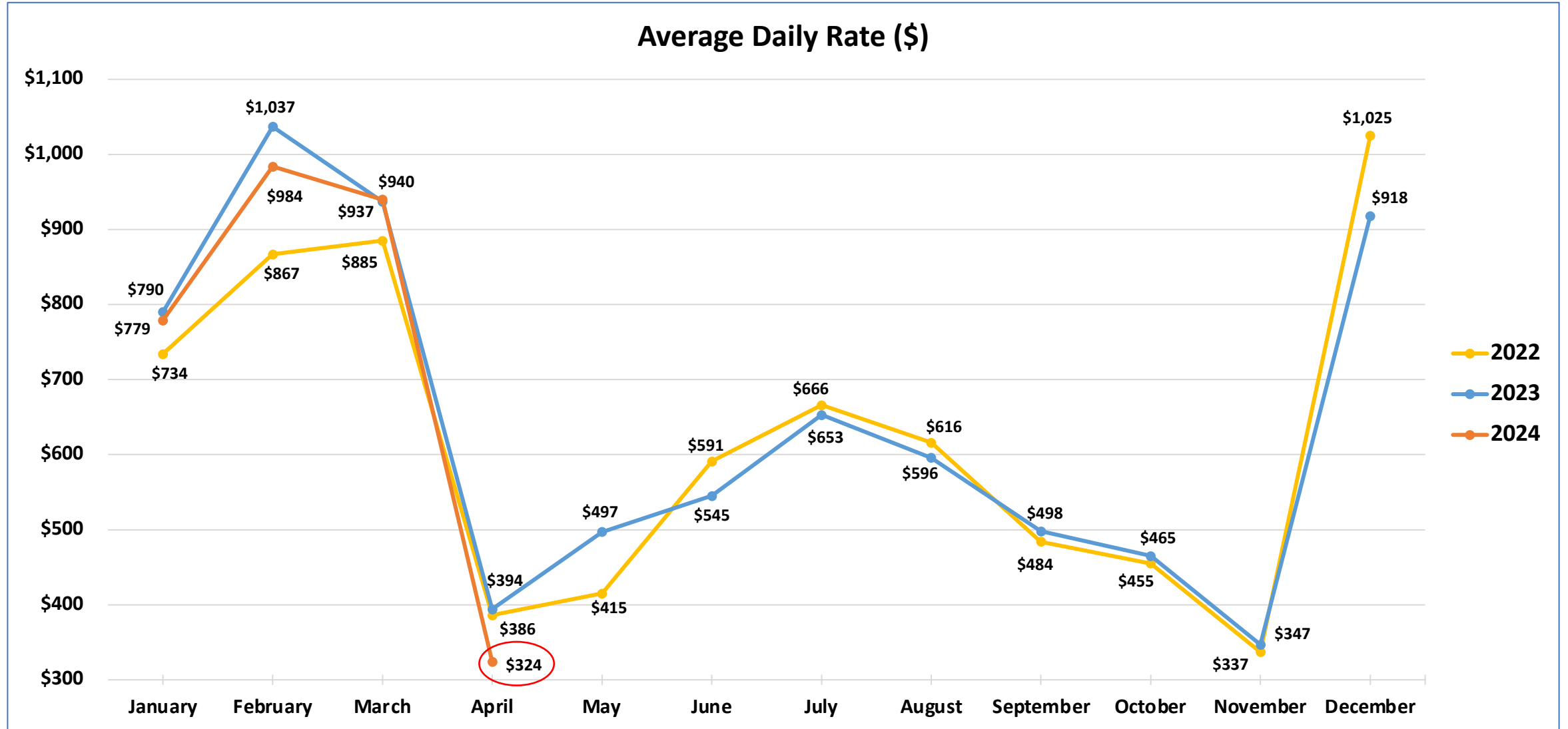
KEY DATA DIRECT SOURCE DEFINITIONS

- **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



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

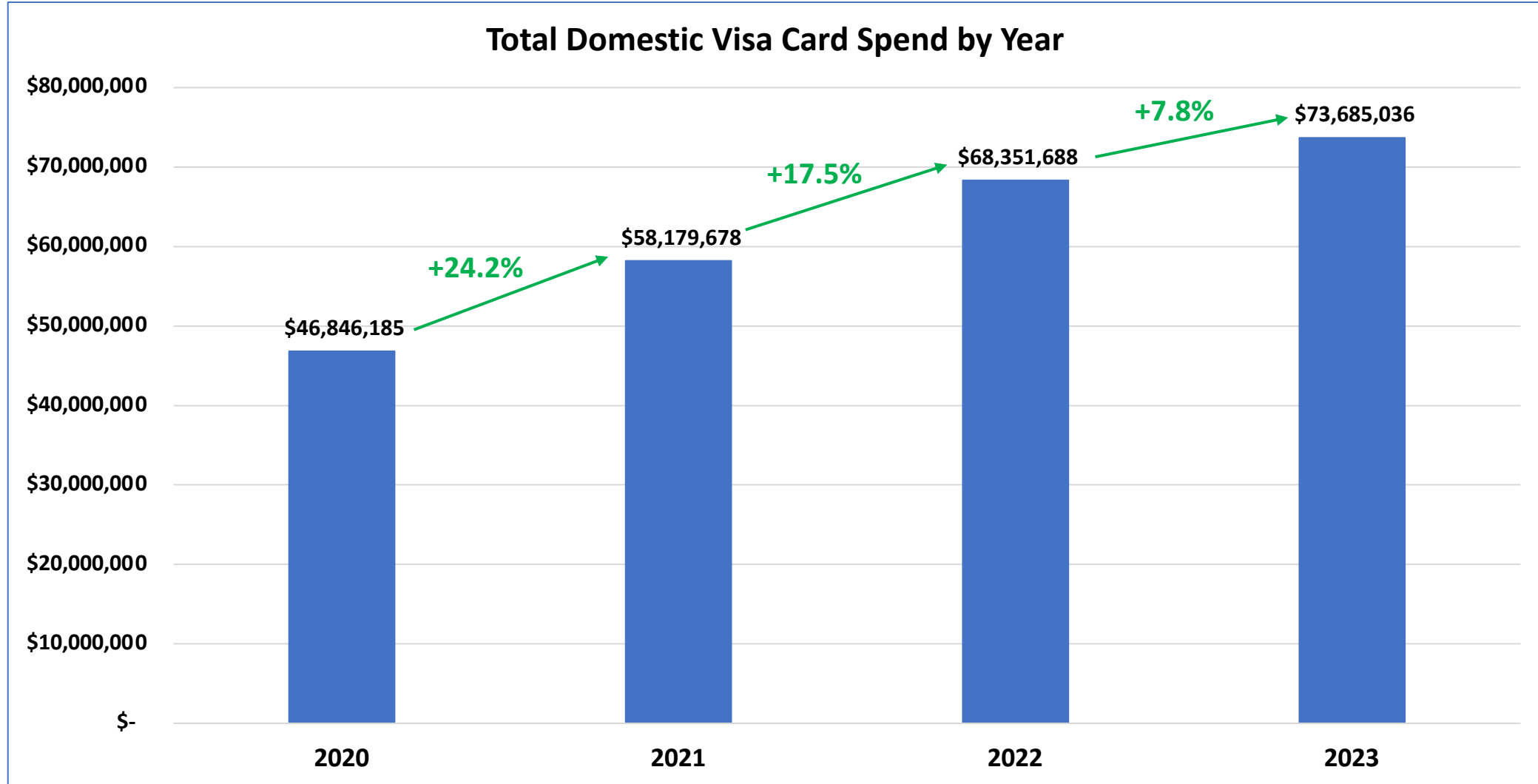


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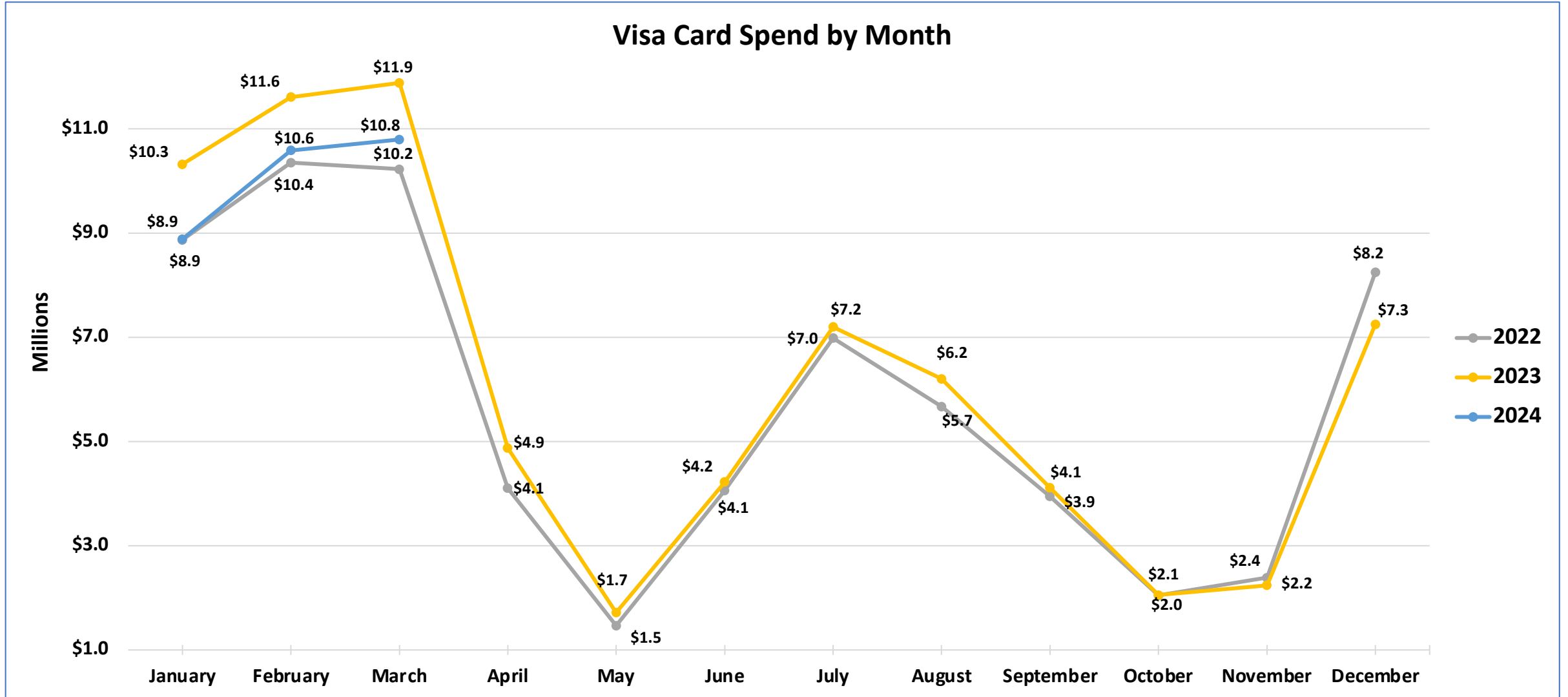
VISA DESTINATION INSIGHTS



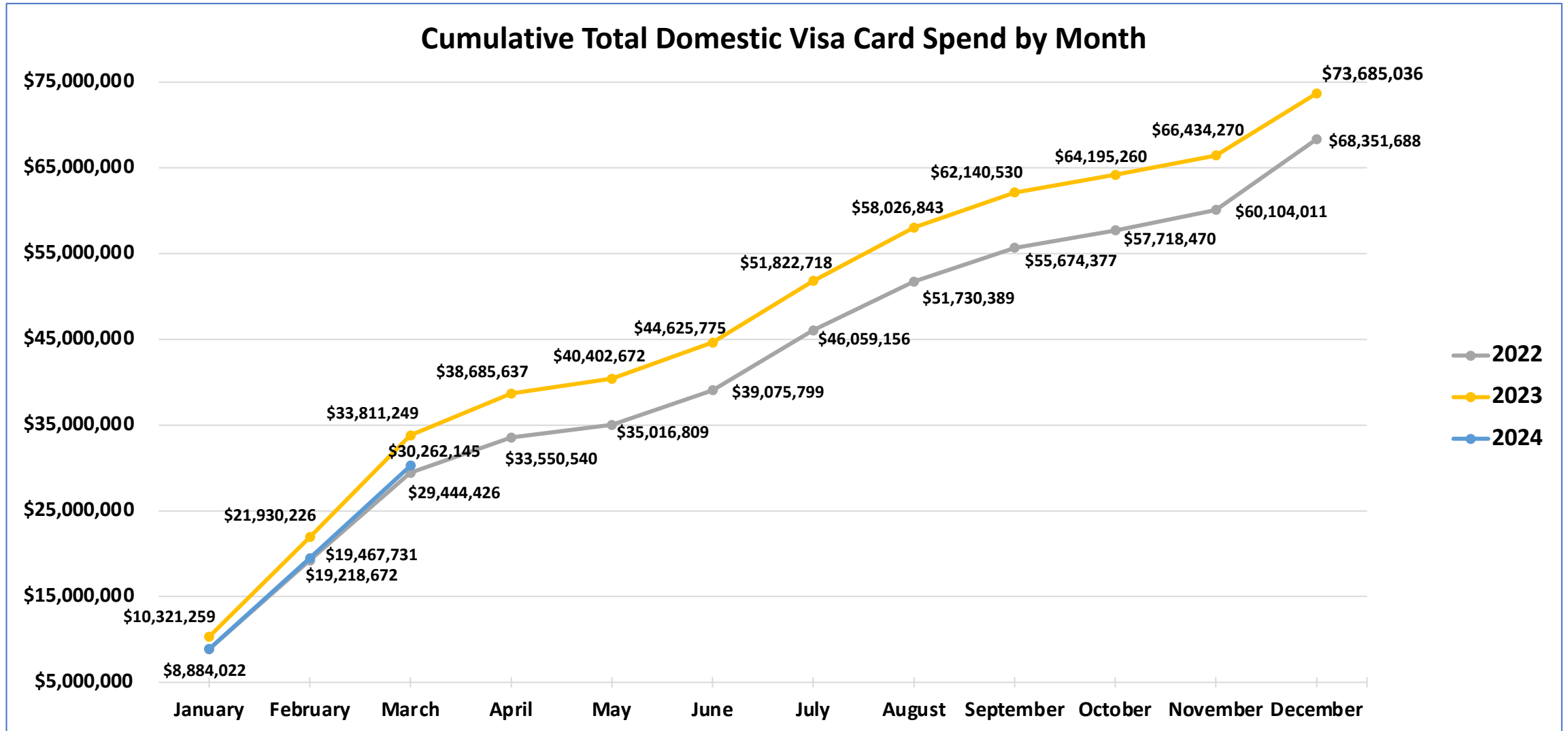
VISA VUE – TOTAL DOMESTIC VISA CARD SPEND DATA BY YEAR



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



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

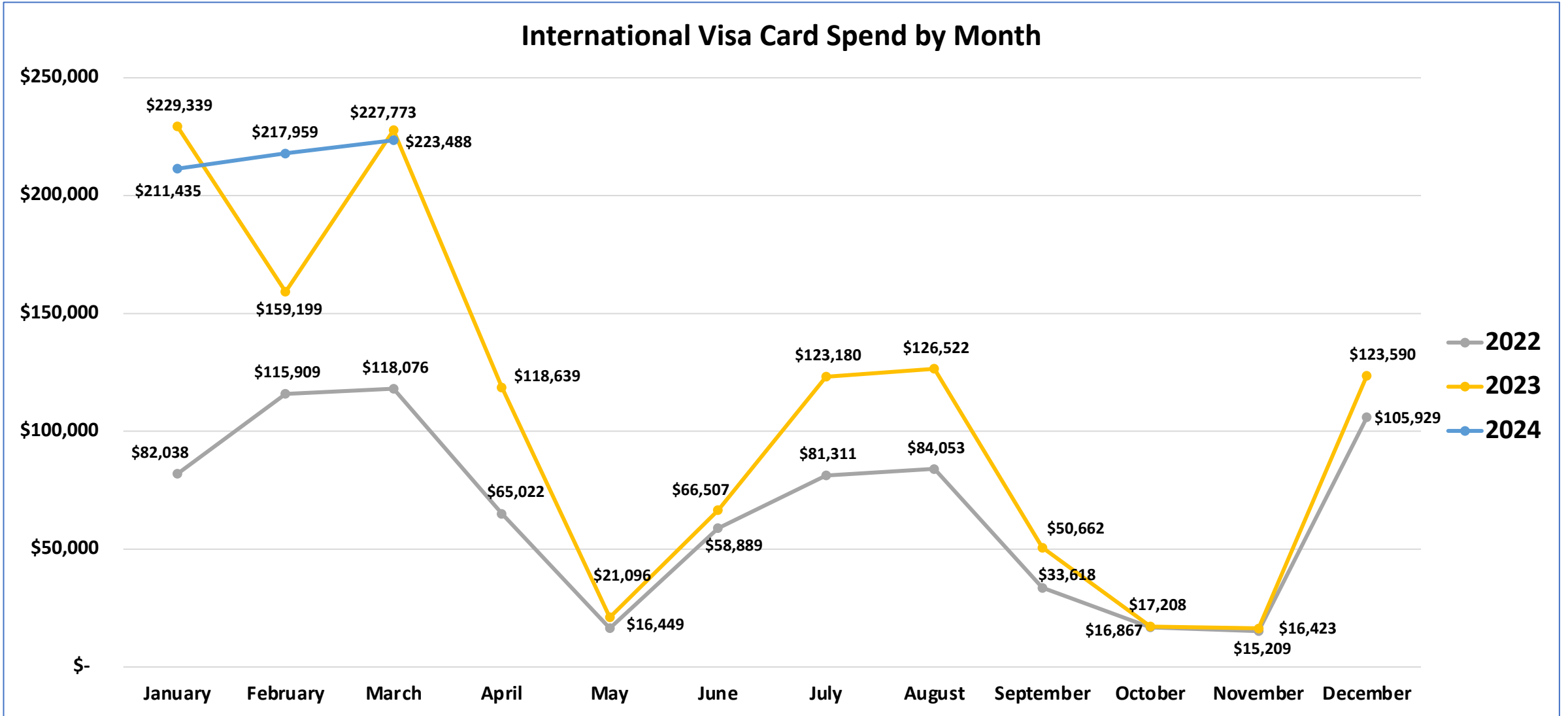


VISA VUE – 2024 YEAR-TO-DATE VISA CARD SPEND DATA - Spend by Market 2024 YTD (January-March)



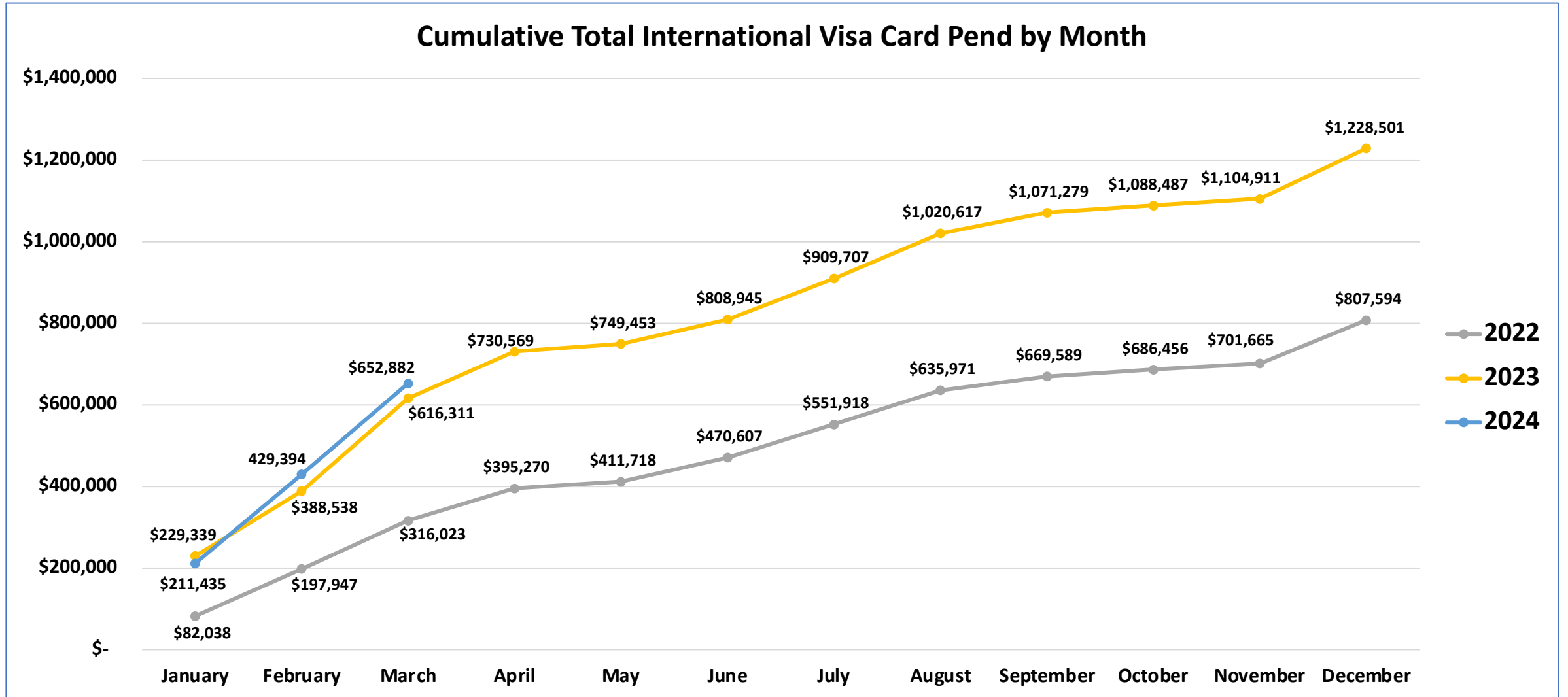
Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Bozeman, MT	\$7,554,141	-7%	24,244	-4%
2	New York-Newark-Jersey City, NY-NJ-PA	\$1,890,305	-3%	5,763	+4%
3	Chicago-Naperville-Elgin, IL-IN-WI	\$1,182,362	0%	3,080	-3%
4	Los Angeles-Long Beach-Anaheim, CA	\$1,014,143	-17%	3,426	-2%
5	Boston-Cambridge-Newton, MA-NH	\$772,349	-16%	2,387	-14%
6	San Francisco-Oakland-Berkeley, CA	\$721,128	-3%	2,407	-6%
7	Seattle-Tacoma-Bellevue, WA	\$692,798	-22%	2,905	-13%
8	Denver-Aurora-Lakewood, CO	\$595,004	-20%	3,010	-19%
9	Washington-Arlington-Alexandria, DC-VA-MD	\$581,241	-6%	1,679	+6%
10	Minneapolis-St. Paul-Bloomington, MN-WI	\$515,521	-17%	2,290	-4%

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



Source: Visa Destination Insights

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-March)

Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Canada	\$276,086	+15%	923	+21%
2	Australia	\$80,764	-31%	196	-10%
3	United Kingdom	\$35,494	-5%	114	+20%
4	Mexico	\$32,116	+116%	79	+55%
5	Germany	\$28,966	+12%	45	+15%
6	New Zealand	\$23,305	-24%	63	-27%
7	Brazil	\$16,015	+90%	30	+36%
8	Puerto Rico	\$13,089	-31%	19	-51%
9	Dominican Republic	\$10,010	N/A	12	N/A
10	Spain	\$8,774	457%	27	+170%

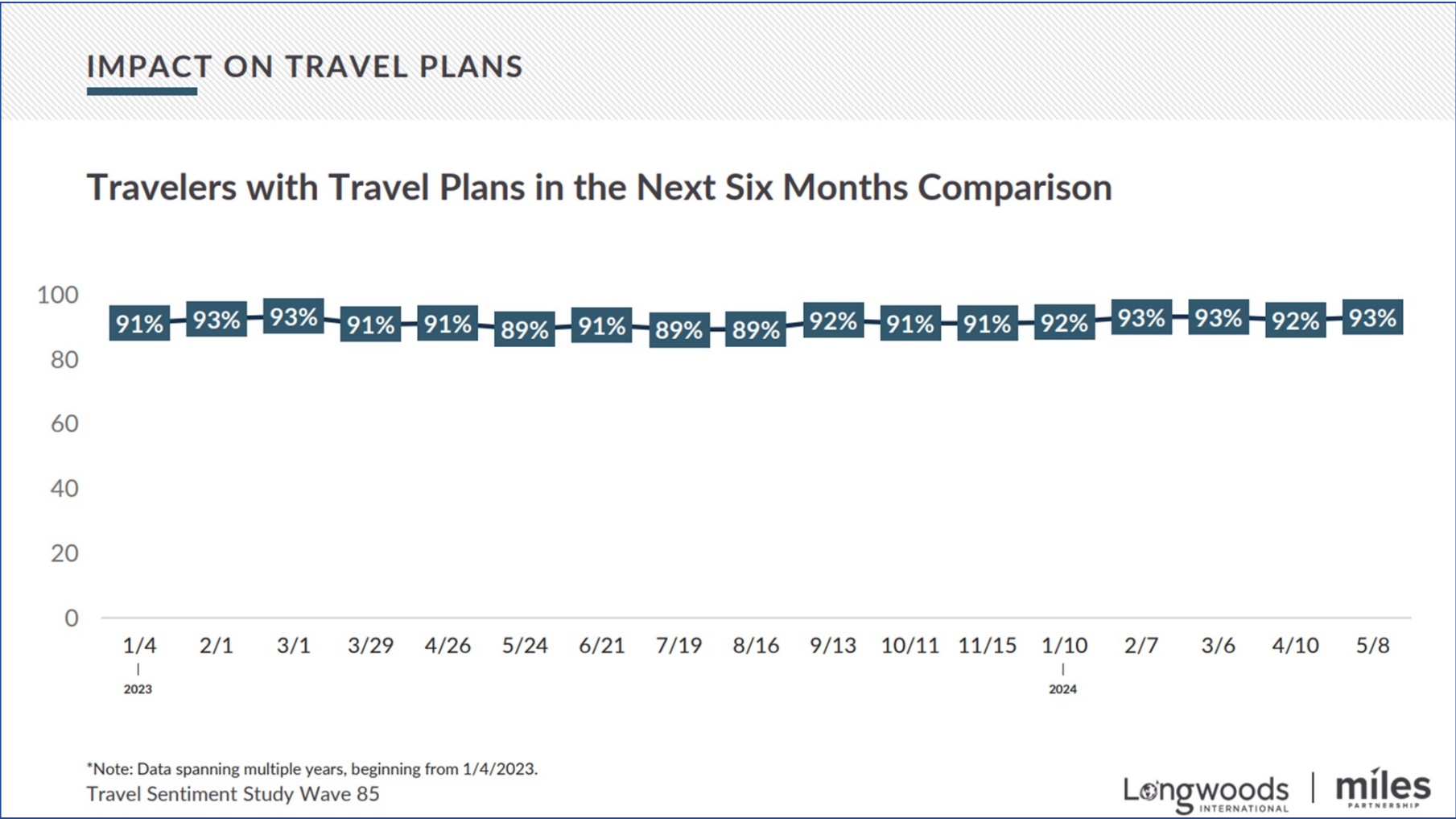
**CONSUMER
SENTIMENT DATA**

**LONGWOODS
INTERNATIONAL**



TRAVEL SENTIMENT STUDY WAVE 85

*Survey fielded May 8, 2024; US National Sample of 1,000 adults 18+

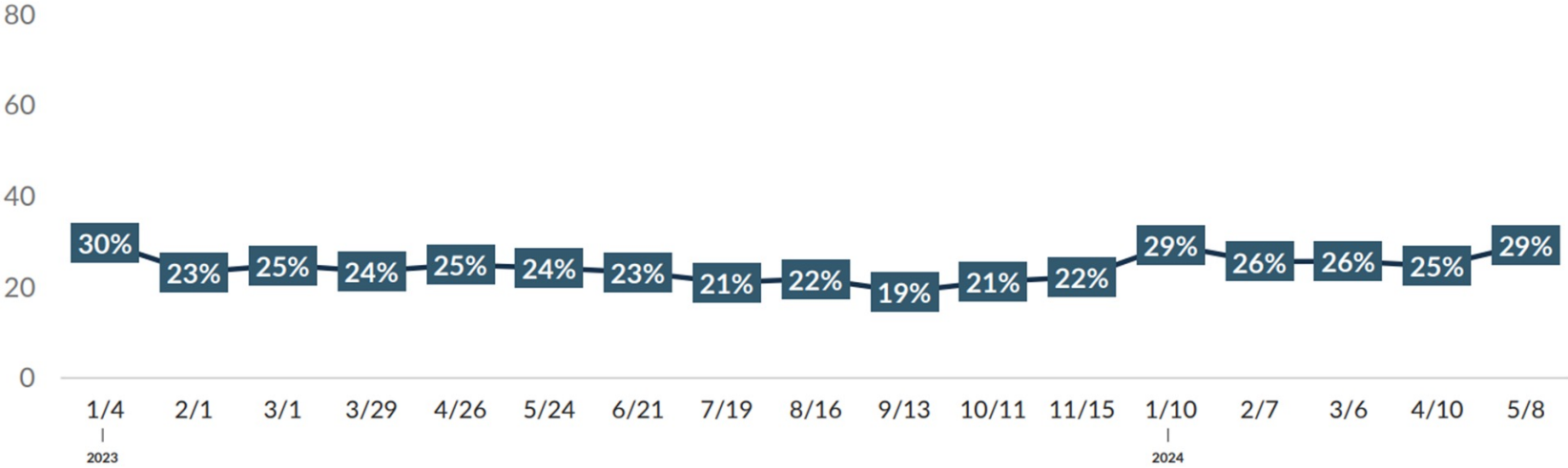


TRAVEL SENTIMENT STUDY WAVE 85

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IMPACT ON TRAVEL PLANS

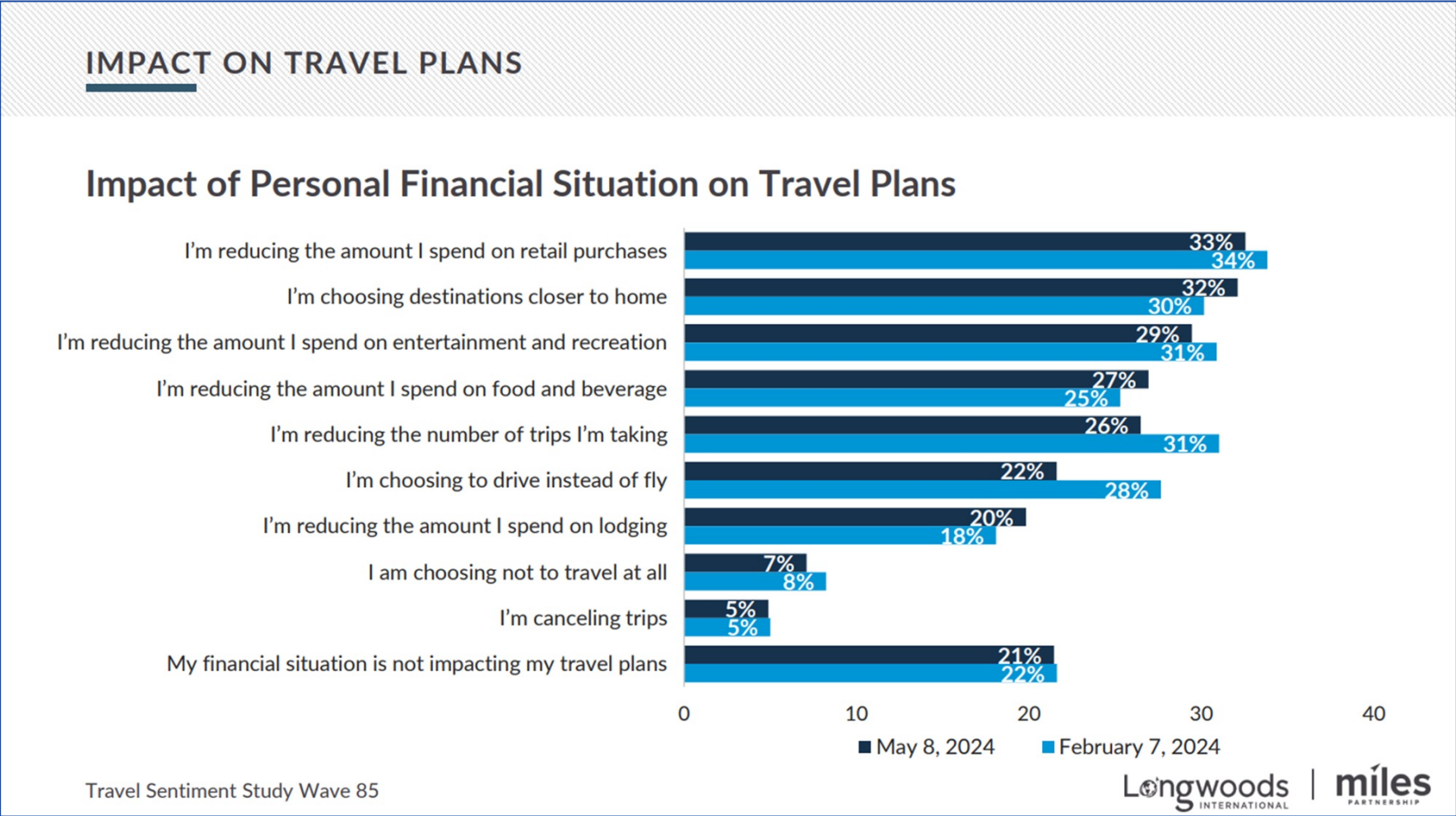
Indicated that Concerns About Personal Financial Situation Would Greatly Impact their Decision to Travel in the Next Six Months



*Note: Data spanning multiple years, beginning from 1/4/2023.
Travel Sentiment Study Wave 85

TRAVEL SENTIMENT STUDY WAVE 85

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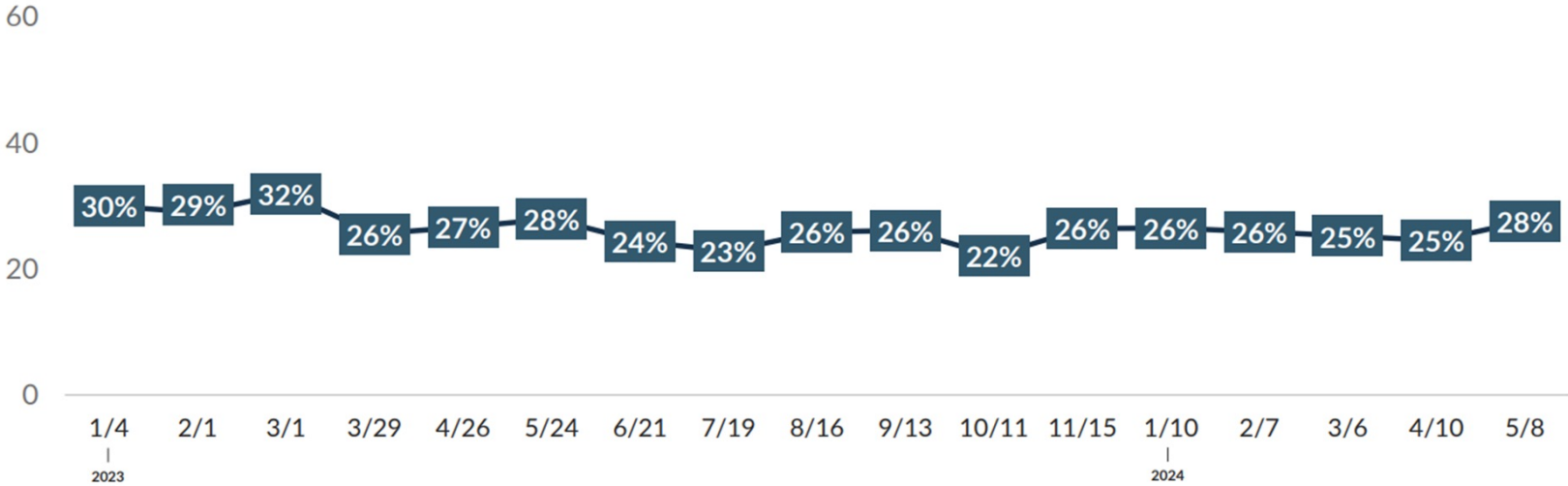
Source: Longwoods International

TRAVEL SENTIMENT STUDY WAVE 85

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IMPACT ON TRAVEL PLANS

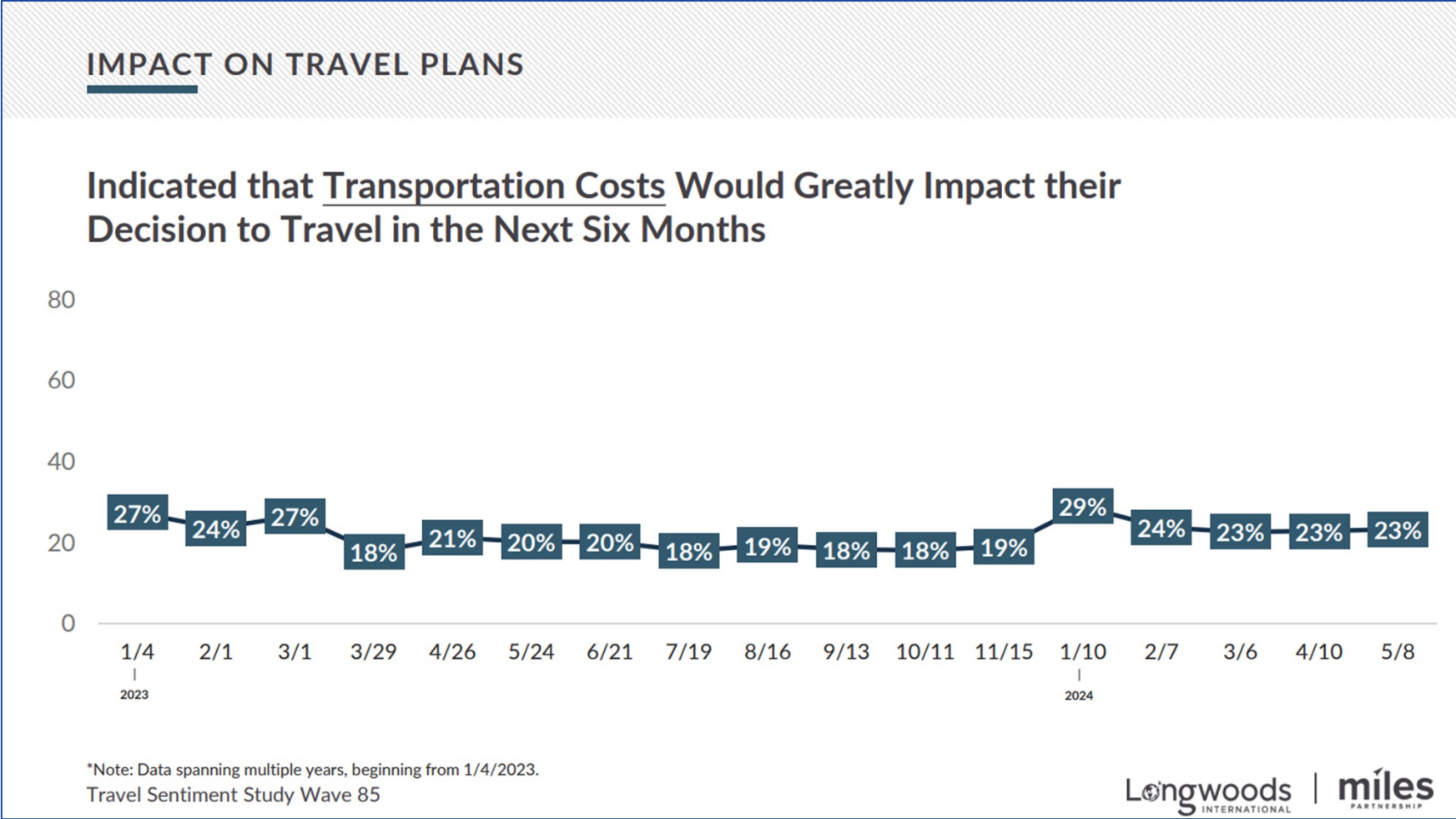
Indicated that Inflation Would Greatly Impact their Decision to Travel in the Next Six Months



*Note: Data spanning multiple years, beginning from 1/4/2023.
Travel Sentiment Study Wave 85

TRAVEL SENTIMENT STUDY WAVE 85

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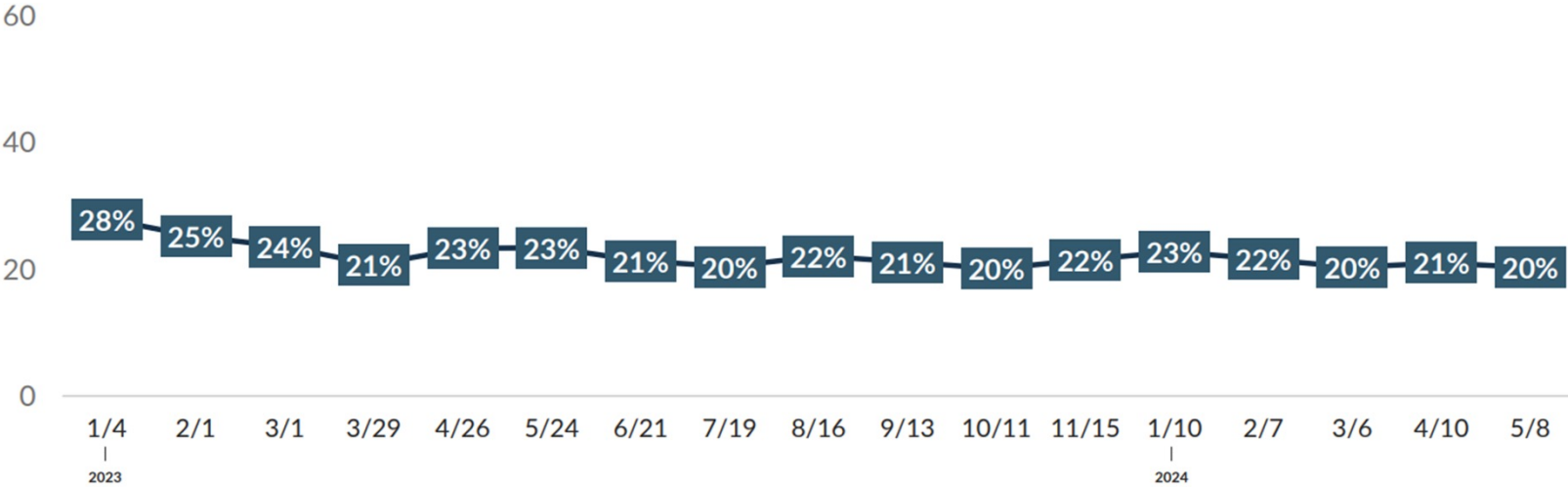


TRAVEL SENTIMENT STUDY WAVE 85

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IMPACT ON TRAVEL PLANS

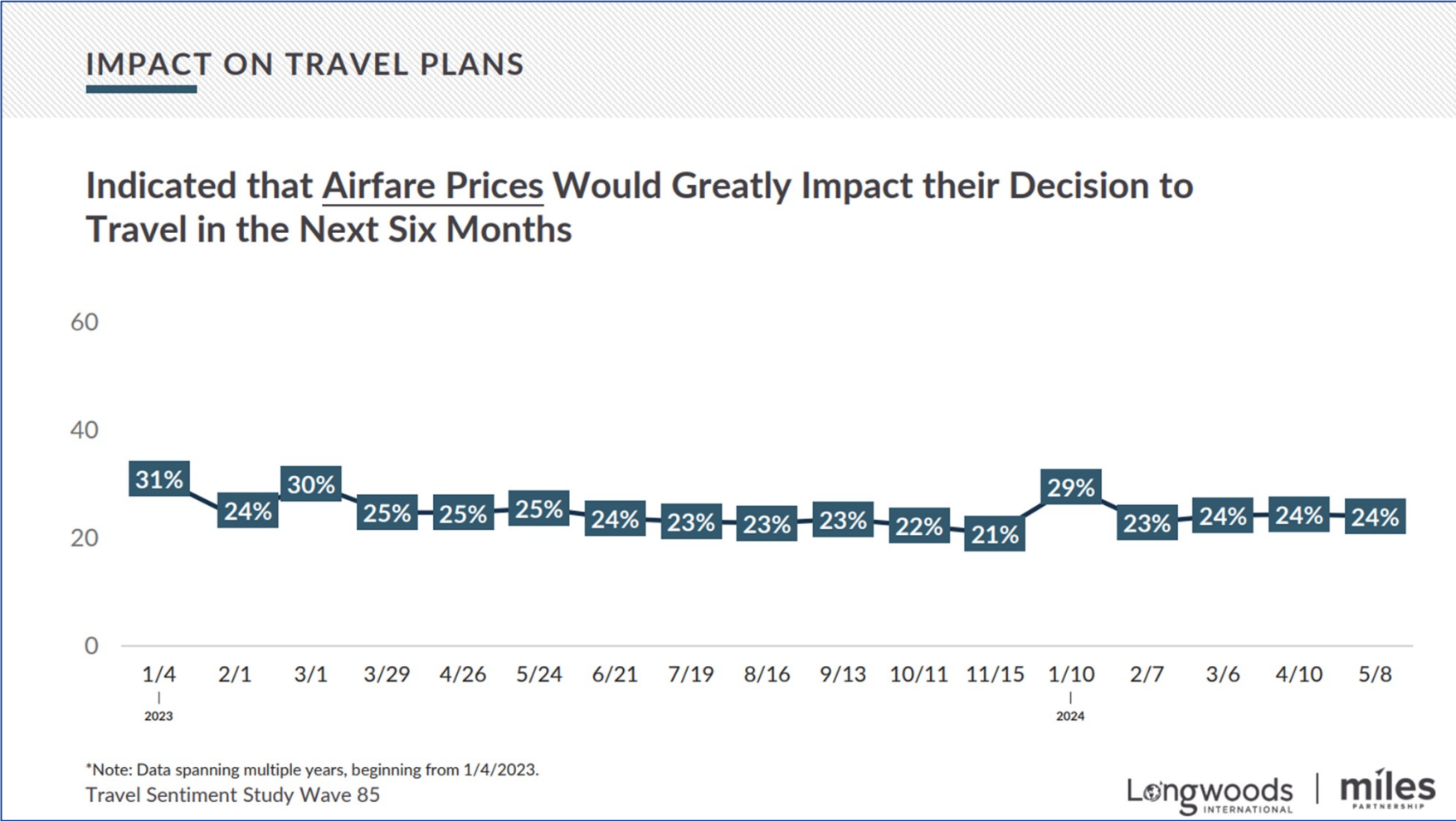
Indicated that Gas Prices Would Greatly Impact their Decision to Travel in the Next Six Months



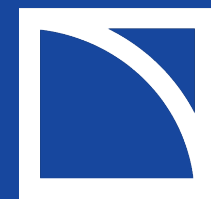
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Travel Sentiment Study Wave 85

TRAVEL SENTIMENT STUDY WAVE 85

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