

**VISIT BIG SKY**  
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**RESEARCH UPDATE**

**DECEMBER 2023  
REVIEW**

**BIG SKY CHAMBER | VISIT BIG SKY**



# EXECUTIVE SUMMARY

## Big Sky Travel & Tourism Trends

- The Bozeman Yellowstone International Airport continued to show strong performance throughout the year, with Total Revenue Passengers for calendar year 2023 up by 8.8% YoY.
  - December 2023 saw an increase of 6.4% in Total Revenue Passengers compared to December 2022.
- There were 1,063 total Airbnb and Vrbo short term rental listings available in December 2023 in Big Sky.
  - Occupancy dropped 16.5%, Average Daily rate fell 1.4%, and RevPAR decreased 17.7% compared to December of last year.
  - Because of the significant reduction in Occupancy, Total Revenue collected from these two short term rental channels totaled \$12.2 million for the month of December, a decrease of 5.8% YoY.
- Professionally managed short-term rentals saw no change in YoY Occupancy in December, but Average Daily Rate decreased from \$1,025 to \$918.
- Visa credit card spend in Big Sky continues to grow, with more than \$66.4 million being spent within Big Sky so far this year (Jan-November 2023) by domestic visitors and residents, and more than \$1.1 million being spent by international visitors.

## Macroeconomic Trends

- Economic conditions facing the U.S. traveler continue to show resilience. The Bureau of Labor Statistics (BLS) jobs report for December indicated that 216,000 jobs were added during the month, a total even higher than the unexpectedly robust November number of 173,000. This left the unemployment rate unchanged at 3.7%. The positive employment news may have led many to begin planning trips for 2024, as year-over-year (YOY) growth in short-term rental bookings remained in the double digits in December at 11.5%, despite dipping below November's 12.3%.
- Consumers and investors have also been carefully watching economic data for signs that monetary loosening is on the horizon. Consumer Price Index (CPI) inflation did increase slightly in December to 3.3% from November's 3.1%. However, inflation minus food and energy—a less volatile measure considered by the Federal Reserve—slowed to 3.9% in December from 4.0% in November. Moreover, a measure called the Producer Price Index (PPI) that reflects how much producers receive for their goods and, in turn, indicates how consumer prices may change, fell slightly in December. Revised data from the BLS shows very strong productivity gains in Q3 that could exert some pressure to drop inflation.
- Amid this ambivalent inflation data, the Fed has recently signaled that it plans on relaxing monetary policy, which could include rate decreases. Lenders have begun to reduce mortgage rates in anticipation of lower interest rates, dropping down from the high of 7.8% in October to 6.6% by the final week of December, according to Freddie Mac.

## Short Term Rentals

- 2023 was a dynamic year in the U.S. short-term rental (STR industry). Over the past 12 months, we saw the most in-demand month on record; July marked nearly 24 million nights stayed, September racked up the largest-ever number of available listings in a month with 1.64 million, and annual revenue reached its highest amount yet at approximately \$64 billion.
- 2023 also brought the end of the incredible occupancy seen since 2021. High inflation and the looming threat of a widely forecasted recession—one that fortunately never materialized—weighed down demand growth. Occupancy, particularly at the beginning of the year, dipped below pre-pandemic levels as the rapid supply growth overcorrected for the soaring occupancy from previous years.
- On the other hand, the economy performed better than expected by the end of the year. Recession is no longer a fixture in Oxford Economics' baseline forecast, and the unemployment level remains at near-record lows. Although many uncertainties still exist across geopolitics, natural disasters, and the U.S. regulatory environment, we're starting 2024 on a much firmer economic footing than in January 2023.
- Key U.S. Short Term Rental Performance Metrics – December 2023
  - RevPAR declined 8.1% YOY to \$155.37
  - Available listings reached 1.61 million, up 14.3% year-over-year (YOY)
  - Total demand (nights) rose 4.3% YOY
  - Occupancy was 5.8% lower YOY at 49.9% (-0.6% vs. 2019)
  - Average daily rates (ADRs) fell 2.4% YOY to \$311.09
  - Nights booked increased 11.5% YOY

# AIRPORT DATA



# BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT NON-STOP DESTINATIONS

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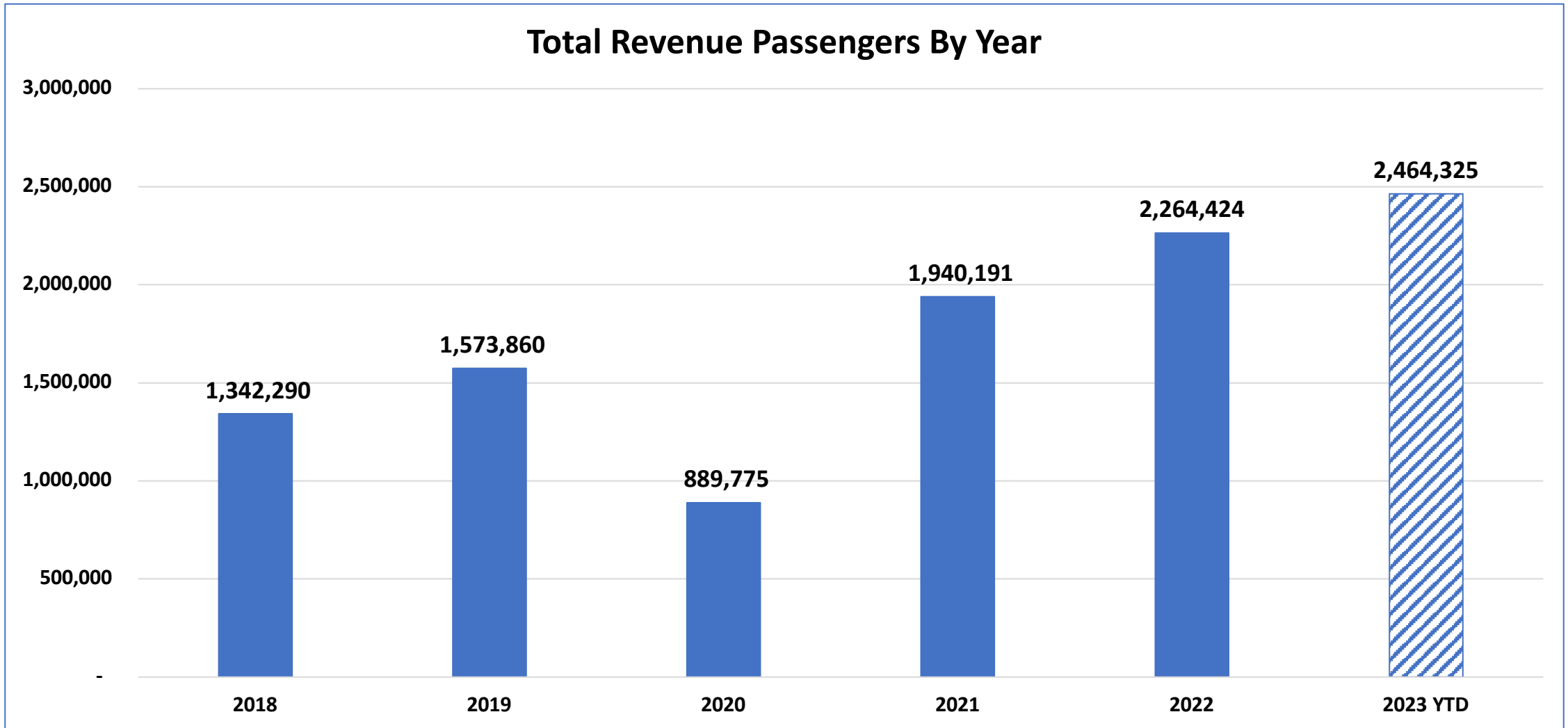


# BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT - TOTAL PASSENGERS YEAR-TO-DATE

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Total Revenue Passengers					
<u>Month</u>	<u>2023</u>	<u>2022</u>	<u>% Change vs. 2022</u>	<u>2021</u>	<u>% Change vs. 2021</u>
January	182,309	167,043	+9.1%	86,606	+110.5%
February	188,040	171,096	+9.9%	99,083	+89.8%
March	212,084	206,216	+2.8%	133,705	+58.6%
April	144,862	140,031	+3.4%	98,434	+47.2%
May	173,251	165,145	+4.9%	131,968	+31.3%
June	248,492	225,410	+10.2%	223,827	+11.0%
July	286,163	256,234	+11.7%	277,355	+3.2%
August	281,444	254,445	+10.6%	254,975	+10.4%
September	234,589	203,844	+15.1%	195,262	+20.1%
October	185,605	167,851	+10.6%	156,192	+18.8%
November	142,205	132,939	+7.0%	117,516	+21.0
December	185,281	174,170	+6.4%	165,268	+12.1
<b>Year-to-Date</b>	<b>2,464,325</b>	<b>2,264,424</b>	<b>+8.8%</b>	<b>1,940,191</b>	<b>+27.0%</b>
<b>Total</b>		<b>2,264,424</b>		<b>1,940,191</b>	

# BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT - YEARLY TOTAL PASSENGERS



(Jan-Dec 2023)



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**AIRDNA  
DATA**

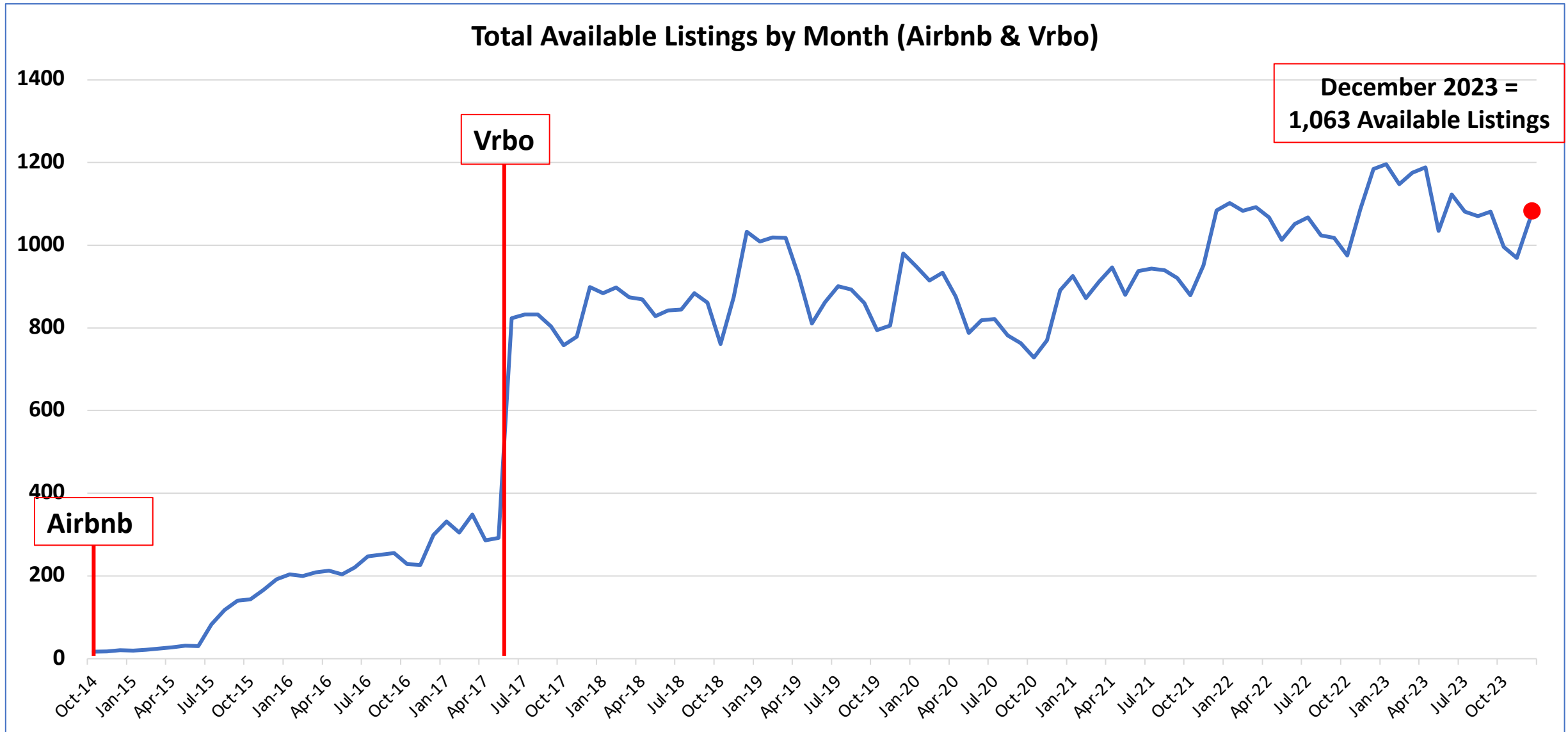


# AIRDNA SHORT TERM RENTAL (INCLUDES AIRBNB & VRBO LISTINGS) DEFINITIONS

## 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.

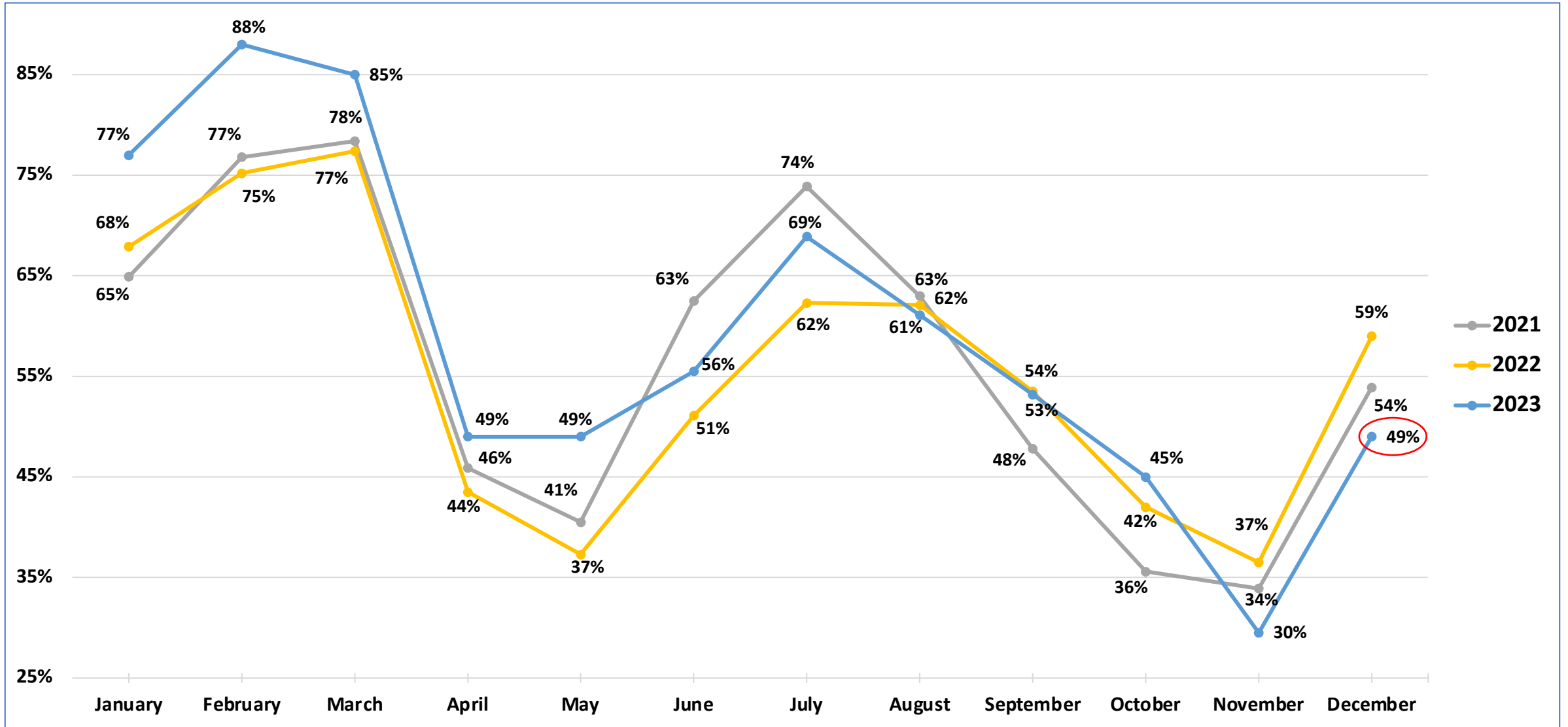
# AIRDNA SHORT TERM RENTAL DATA (Airbnb & Vrbo)



Source: AirDNA (Includes Airbnb and Vrbo data)

# AIRDNA – OCCUPANCY (%) BY MONTH

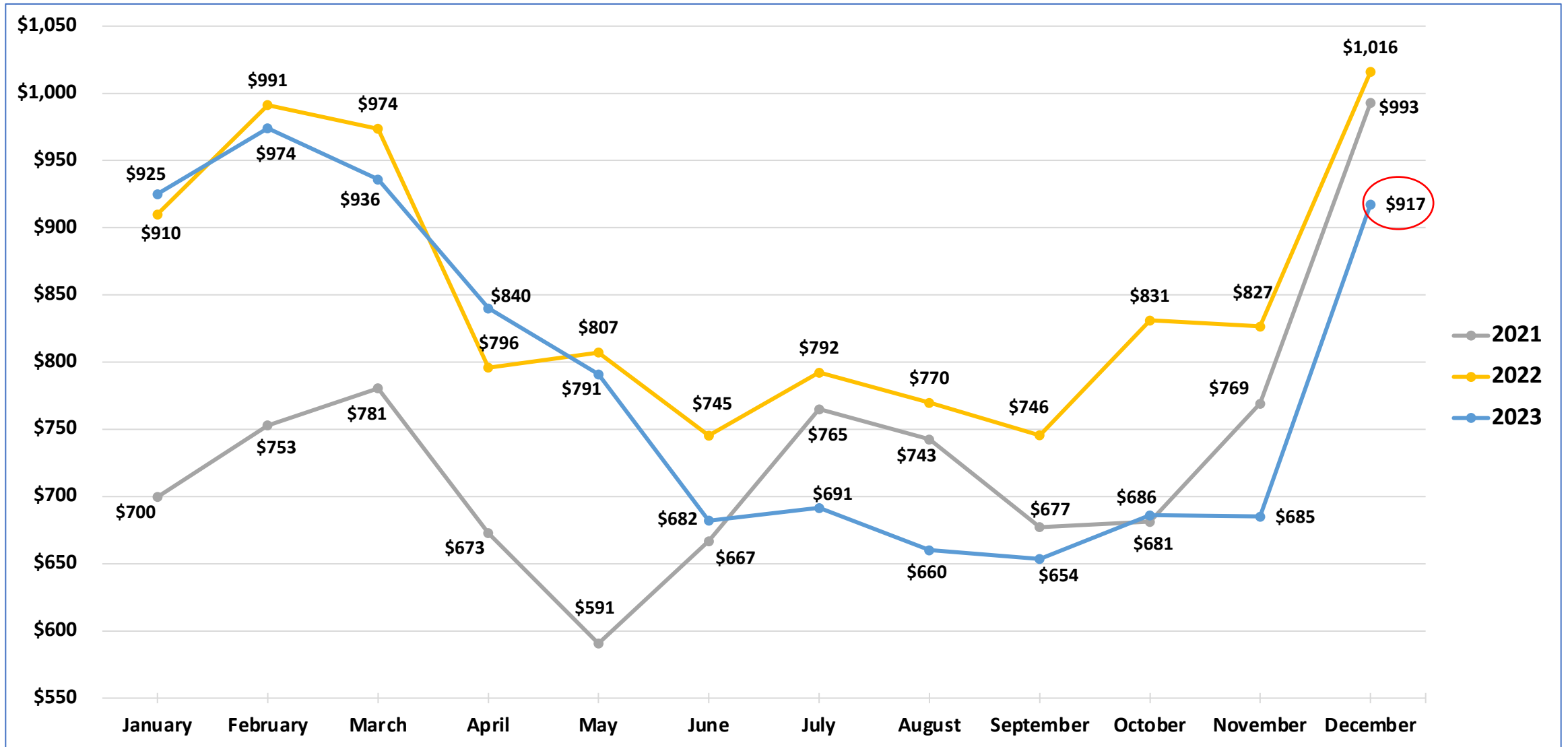
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Source: AirDNA (Includes Airbnb and Vrbo data)

# AIRDNA – AVERAGE DAILY RATE (\$) BY MONTH

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Source: AirDNA (Includes Airbnb and Vrbo data)

**KEY DATA**  
**DATA**



# KEY DATA DIRECT SOURCE LODGING PARTNERS

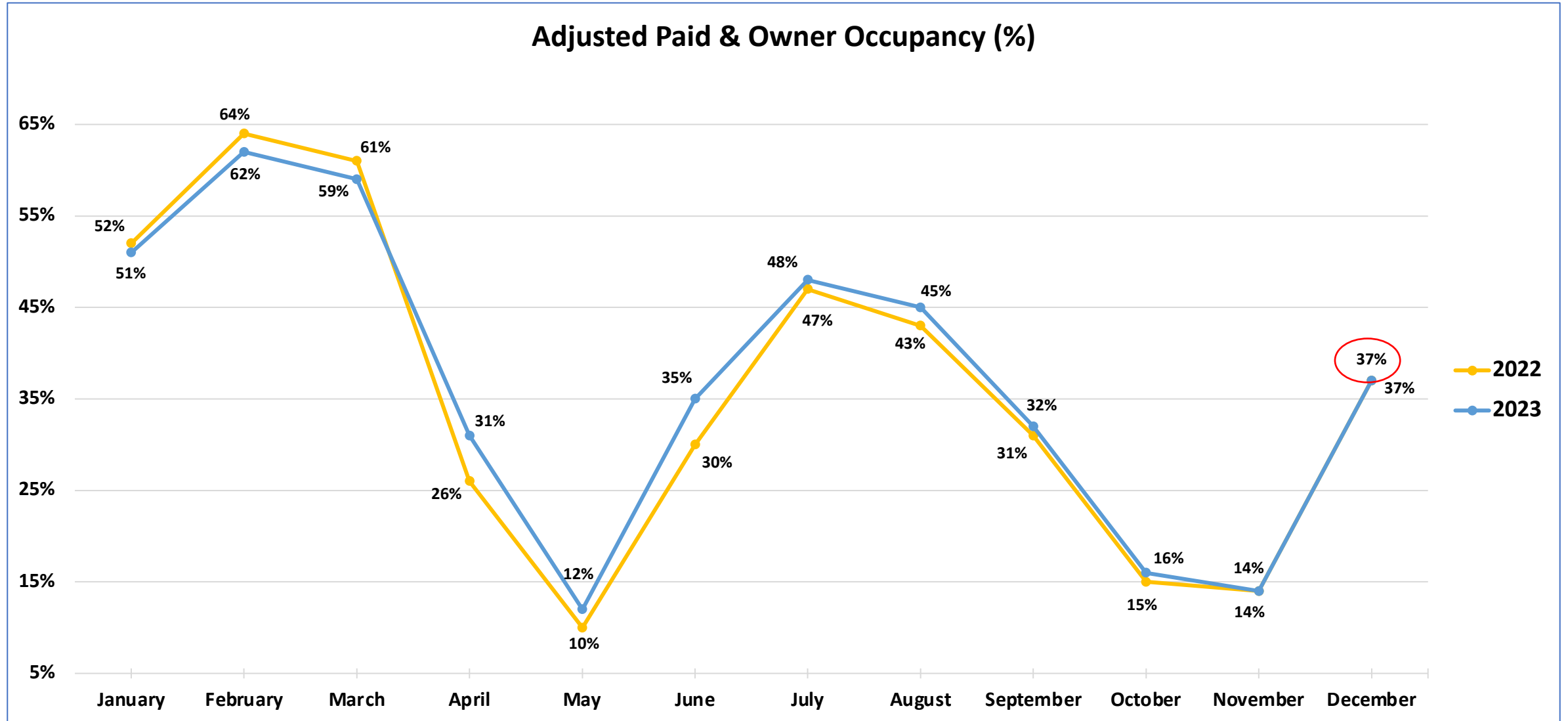
- Key Data currently partners with 12 Big Sky property management companies and hotels.
  - In total, this represents ~1,439 rental units in the Big Sky area.
  - All figures in the following slides are taken exclusively from the following 12 property management companies and hotels:
    - Big Sky Luxury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

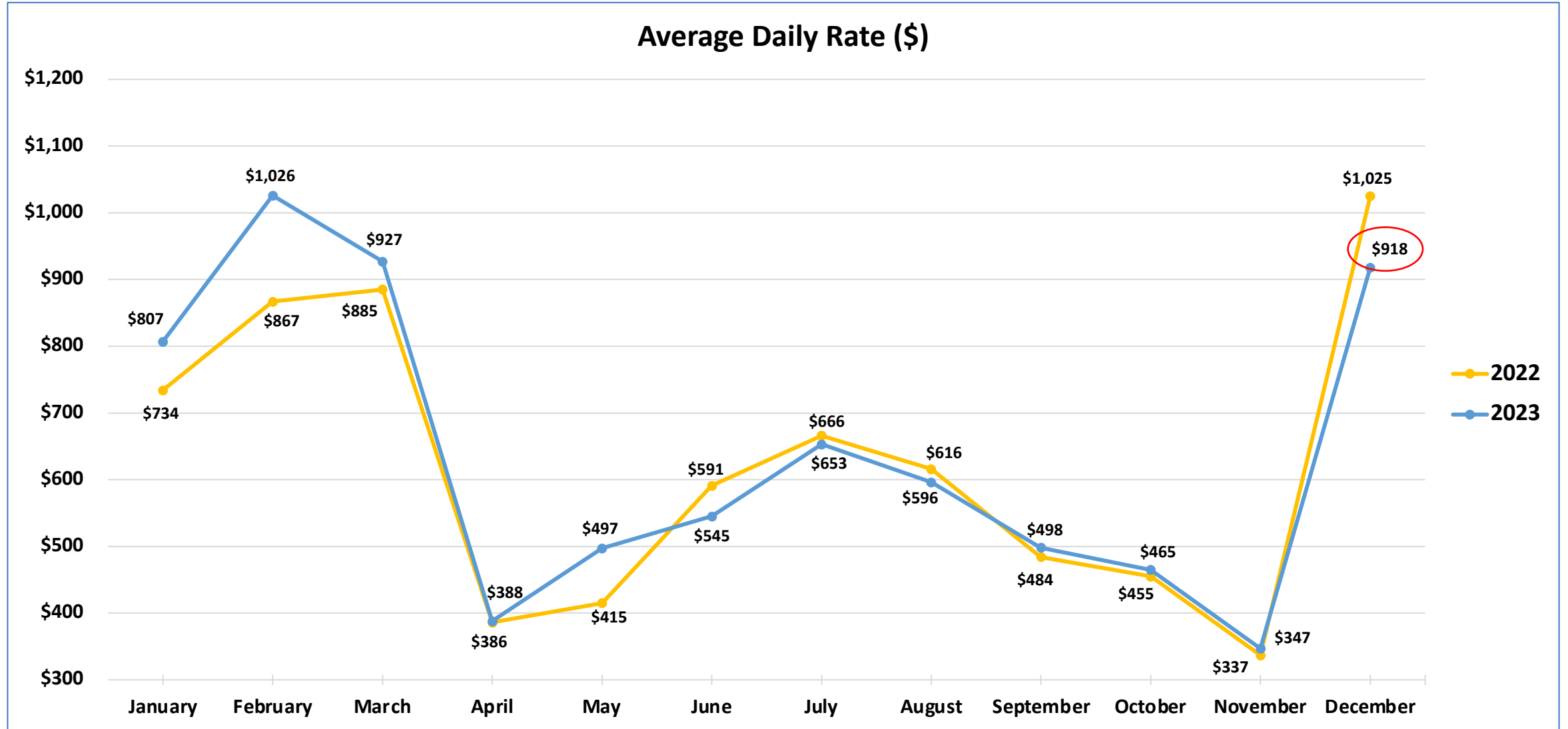
- **Average Daily Rate (ADR)** - The average Unit Revenue paid by guests for all the Nights Sold in a given period. ADR, along with the property's Occupancy, are the foundations for the property's financial performance.
  - = Total Unit Revenue / Nights Sold
- **Adjusted Paid & Owner Occupancy** - The 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

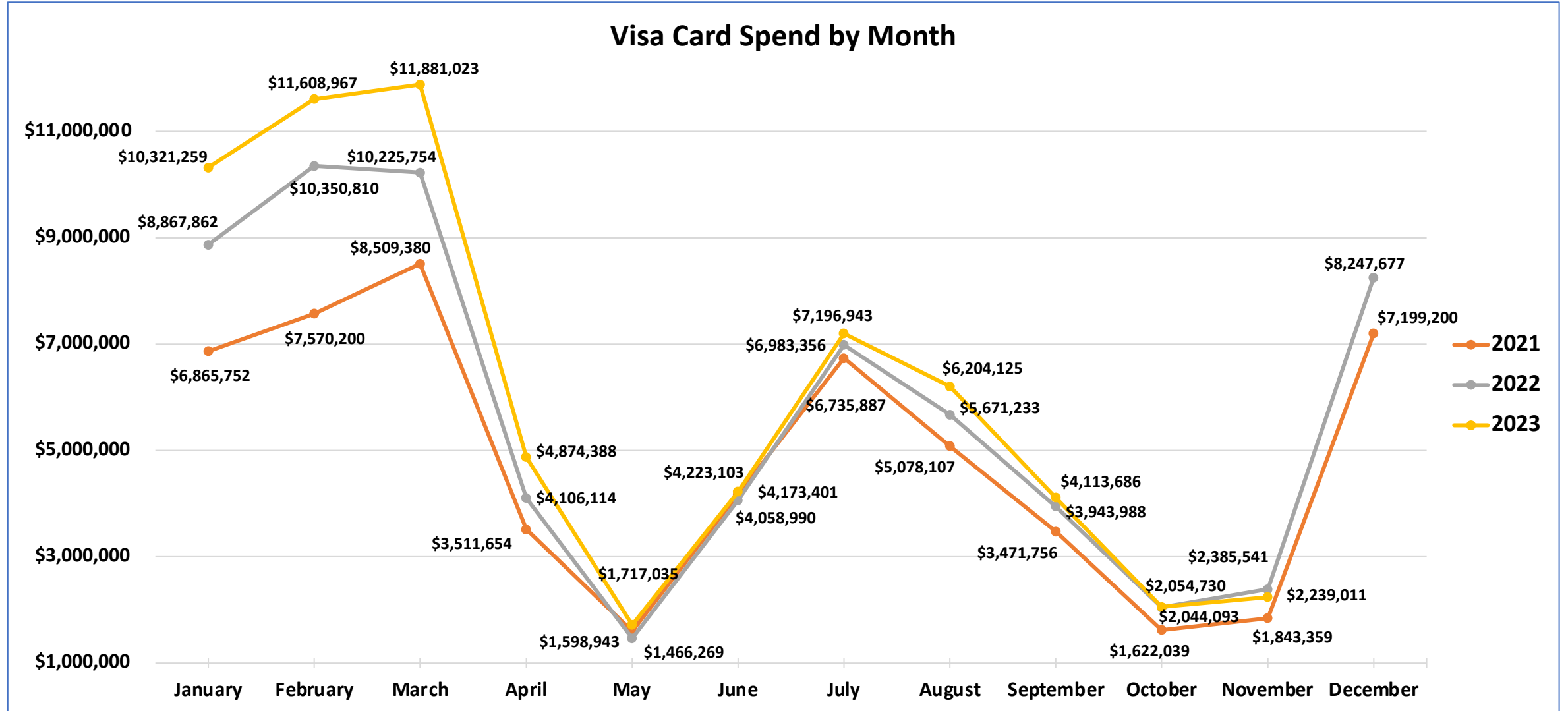


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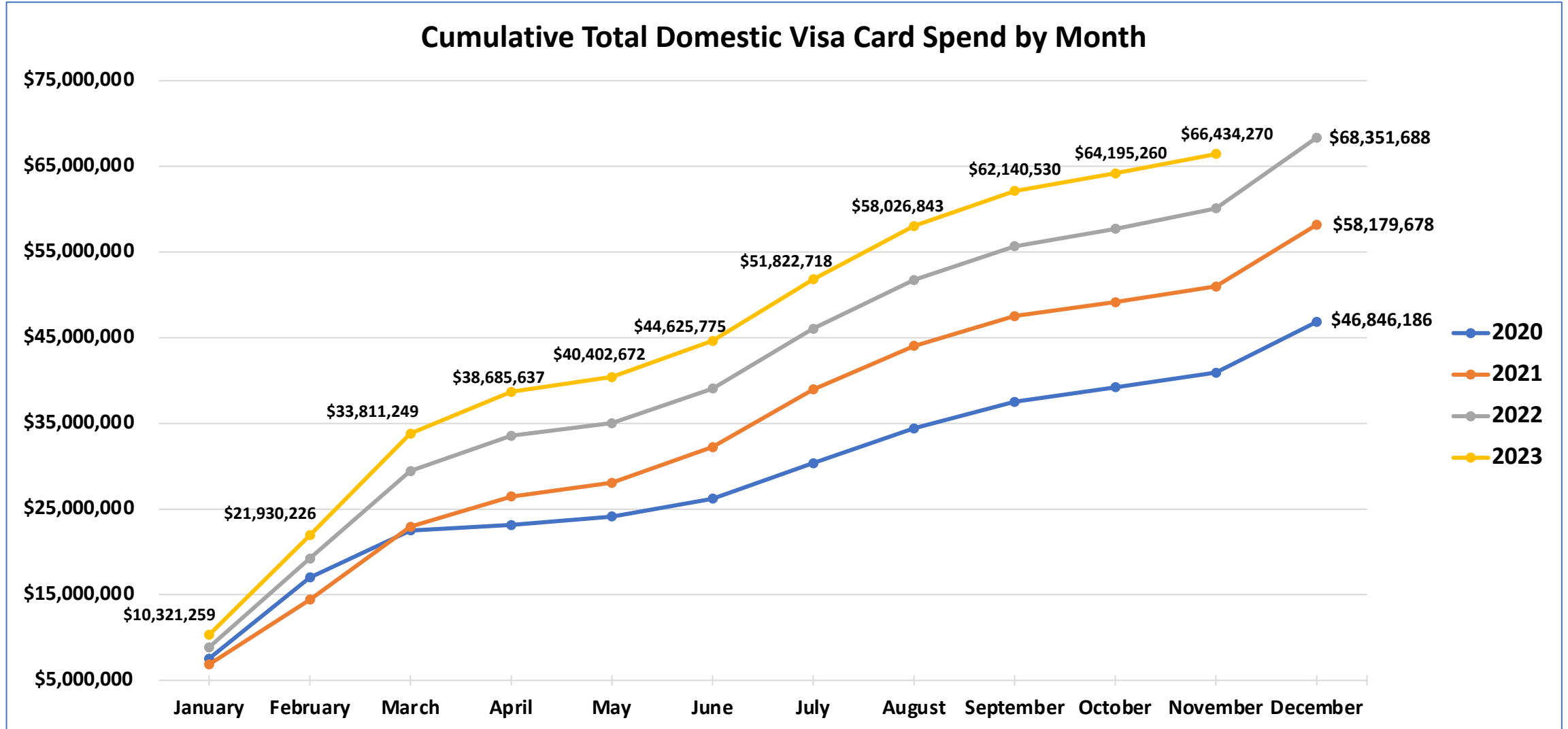
# VISA DESTINATION INSIGHTS



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



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

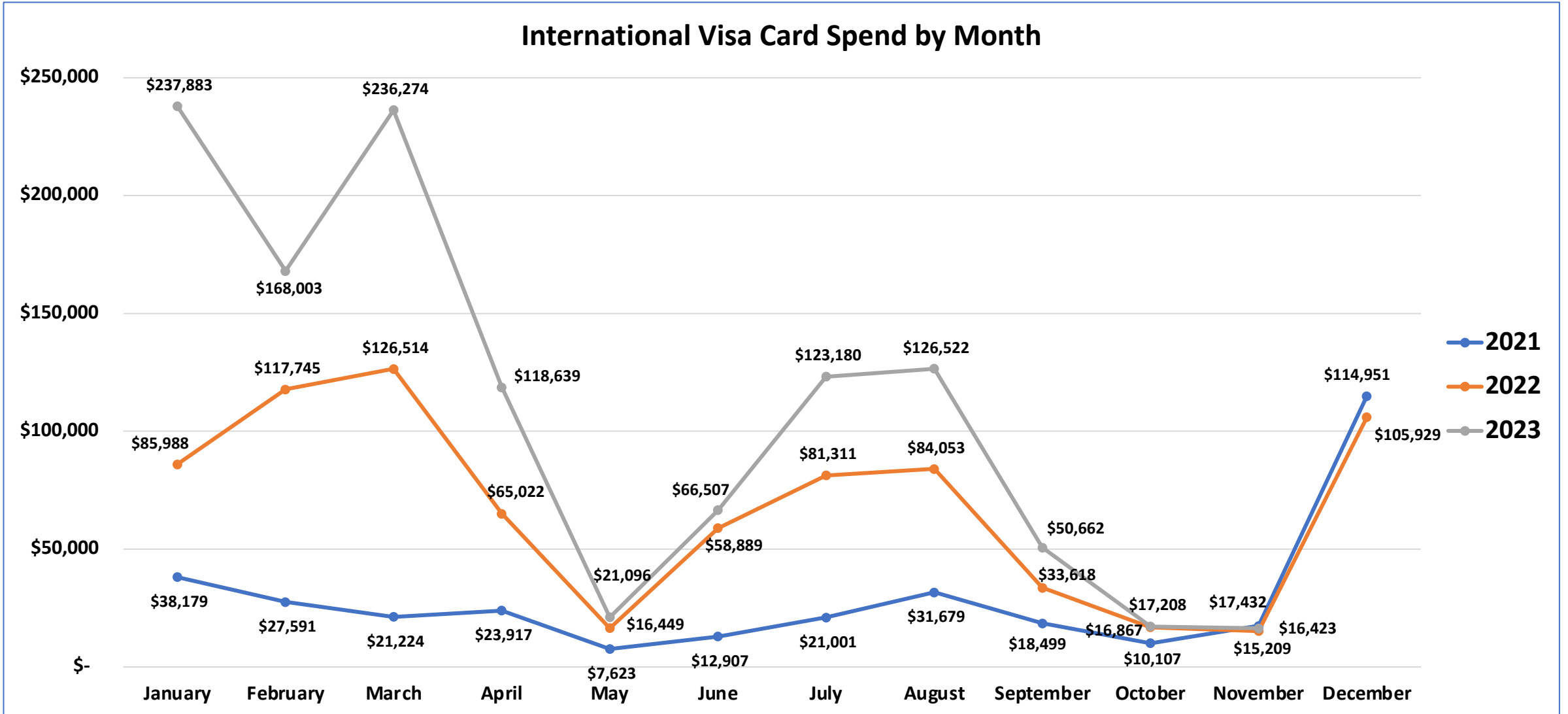


# VISA VUE – 2023 YEAR-TO-DATE VISA CARD SPEND DATA (Spend by Market January – November 2023)

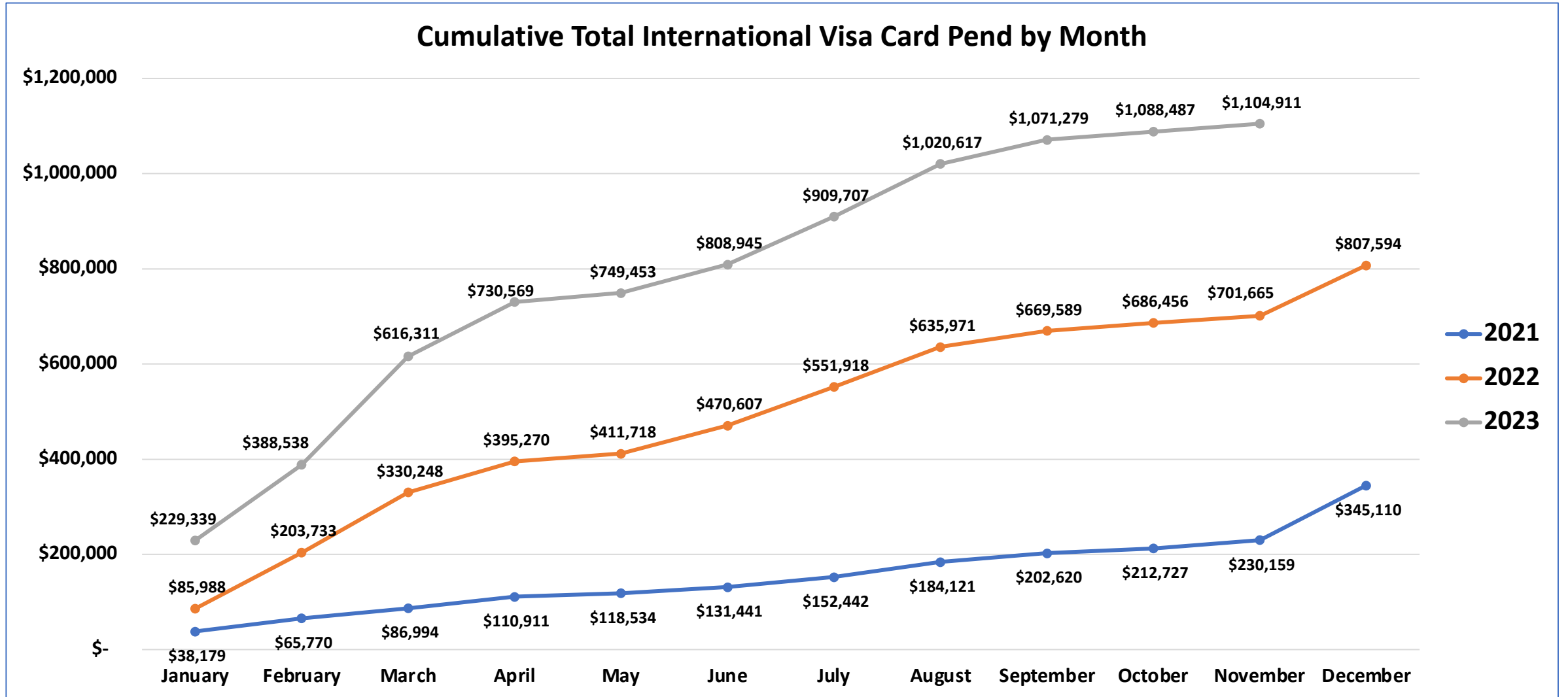


Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Bozeman, MT	\$21,020,185	+15%	48,756	+11%
2	New York-Newark-Jersey City, NY-NJ-PA	\$2,754,409	+10%	8,161	+4%
3	Los Angeles-Long Beach-Anaheim, CA	\$2,035,671	+16%	6,466	+2%
4	Chicago-Naperville-Elgin, IL-IN-WI	\$1,961,708	+17%	5,292	+8%
5	Seattle-Tacoma-Bellevue, WA	\$1,469,621	+13%	5,780	+7%
6	Boston-Cambridge-Newton, MA-NH	\$1,266,346	+20%	4,112	+12%
7	San Francisco-Oakland-Berkeley, CA	\$1,208,296	+6%	4,152	+1%
8	Denver-Aurora-Lakewood, CO	\$1,198,055	+17%	5,846	+6%
9	Minneapolis-St. Paul-Bloomington, MN-WI	\$1,158,203	-6%	4,583	-10%
10	Washington-Arlington-Alexandria, DC-VA-MD	\$1,008,093	+24%	2,884	+1%

# 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 – 2023 YEAR-TO-DATE VISA CARD SPEND DATA (Spend by International Market January – November 2023)

Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Canada	\$427,881	+68%	1,644	+55%
2	Australia	\$170,029	+182%	374	+148%
3	United Kingdom	\$76,275	+43%	243	+17%
4	Mexico	\$54,276	+190%	159	+79%
5	New Zealand	\$39,064	+905%	133	+454%
6	Puerto Rico	\$35,345	+4%	63	+31%
7	Germany	\$33,263	+39%	125	+13%
8	China (Mainland)	\$26,350	+142%	82	+67%
9	Chile	\$21,584	+685%	35	+119%
10	Switzerland	\$17,876	+18%	51	+24%

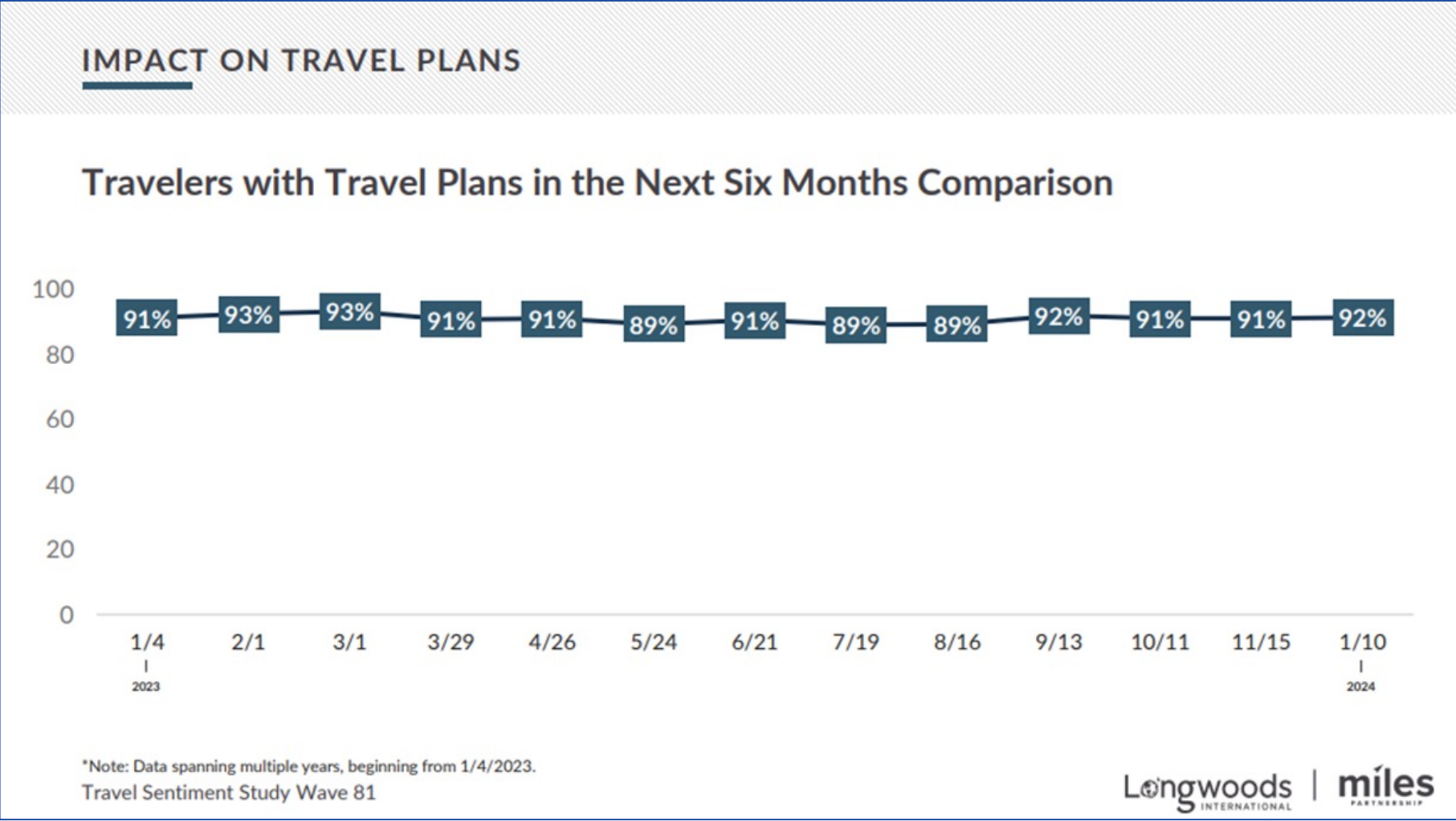
**CONSUMER  
SENTIMENT DATA**

**LONGWOODS  
INTERNATIONAL**



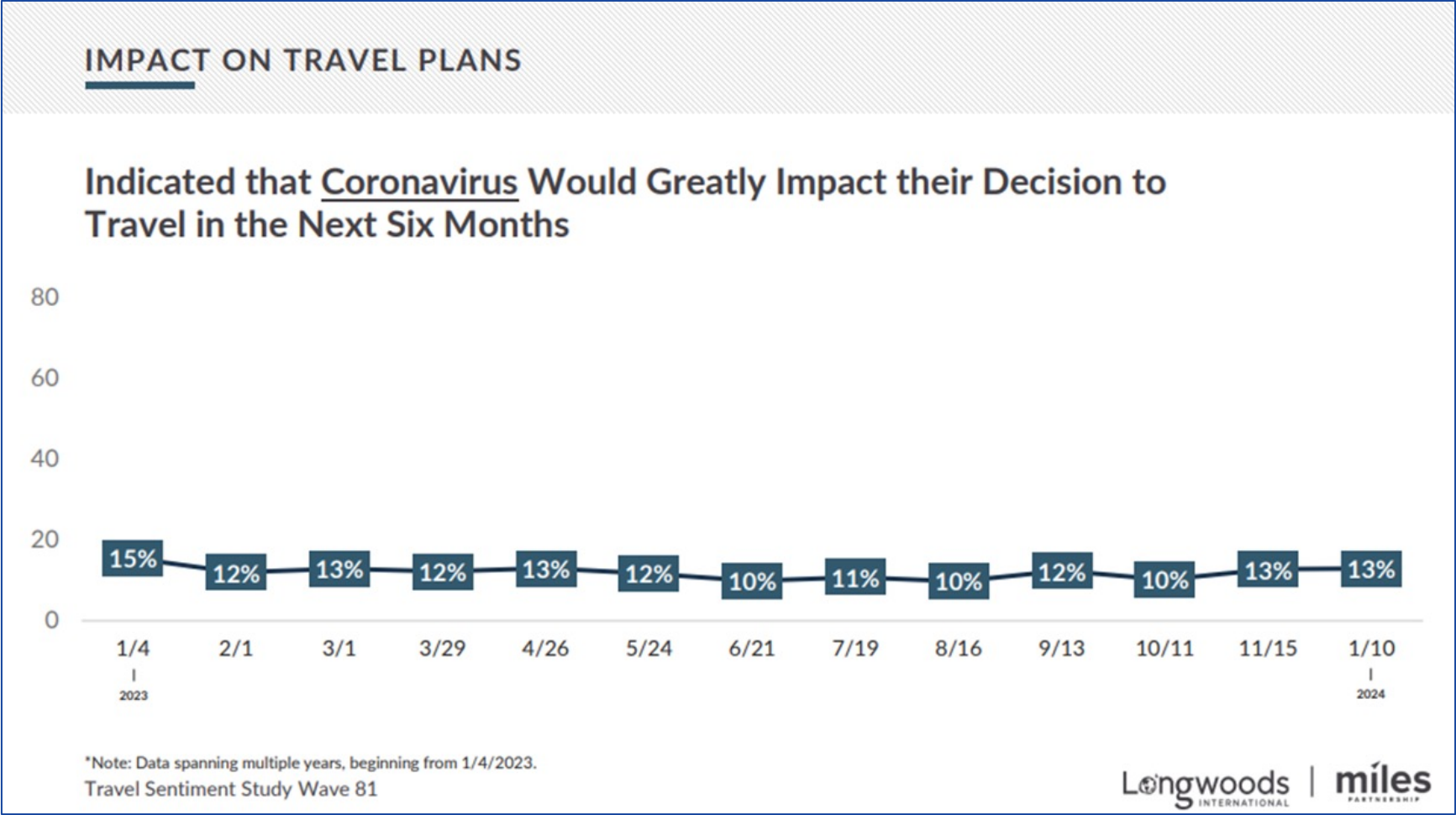
# TRAVEL SENTIMENT STUDY WAVE 81

\*Survey fielded January 10, 2024; US National Sample of 1,000 adults 18+



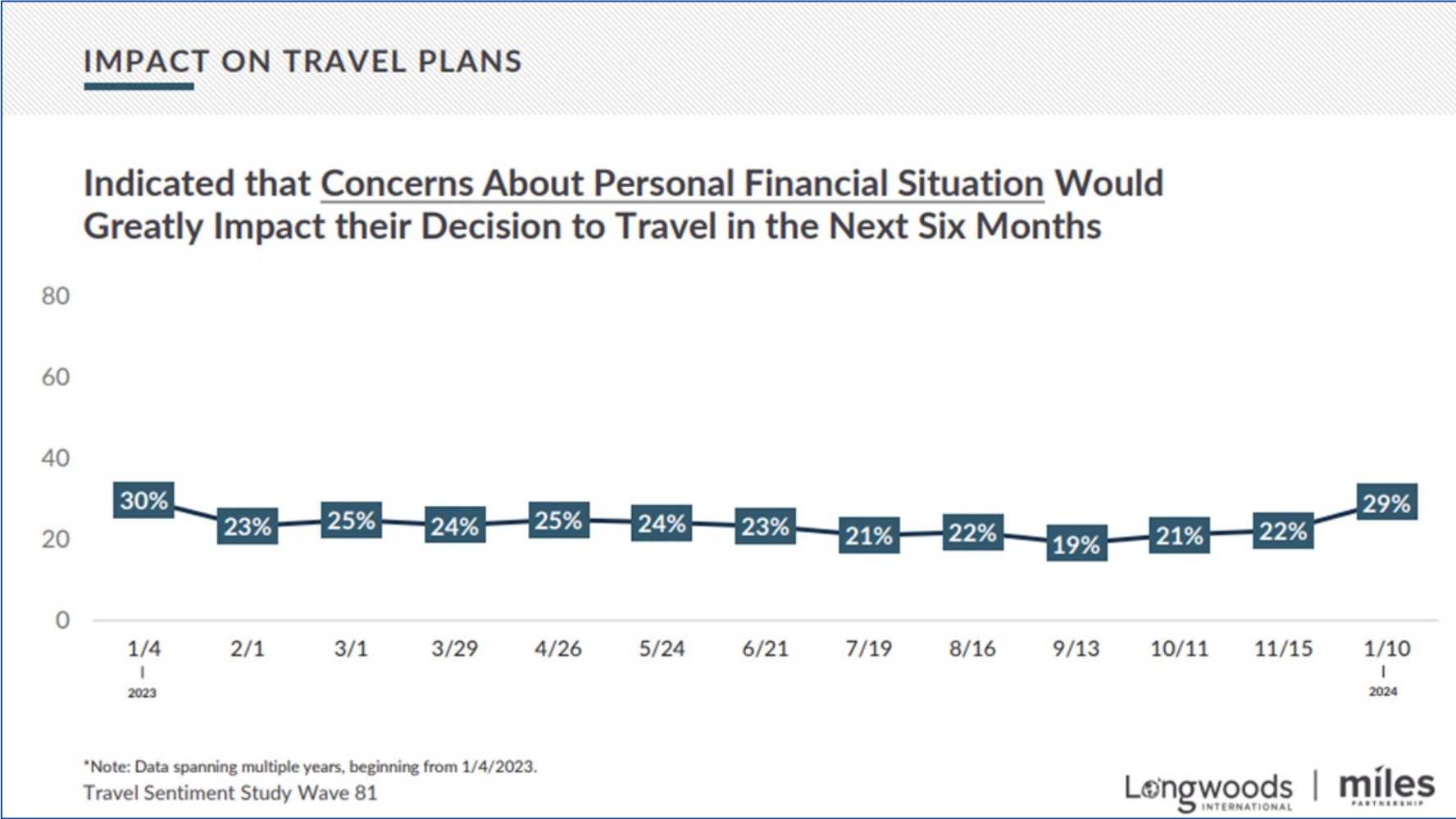
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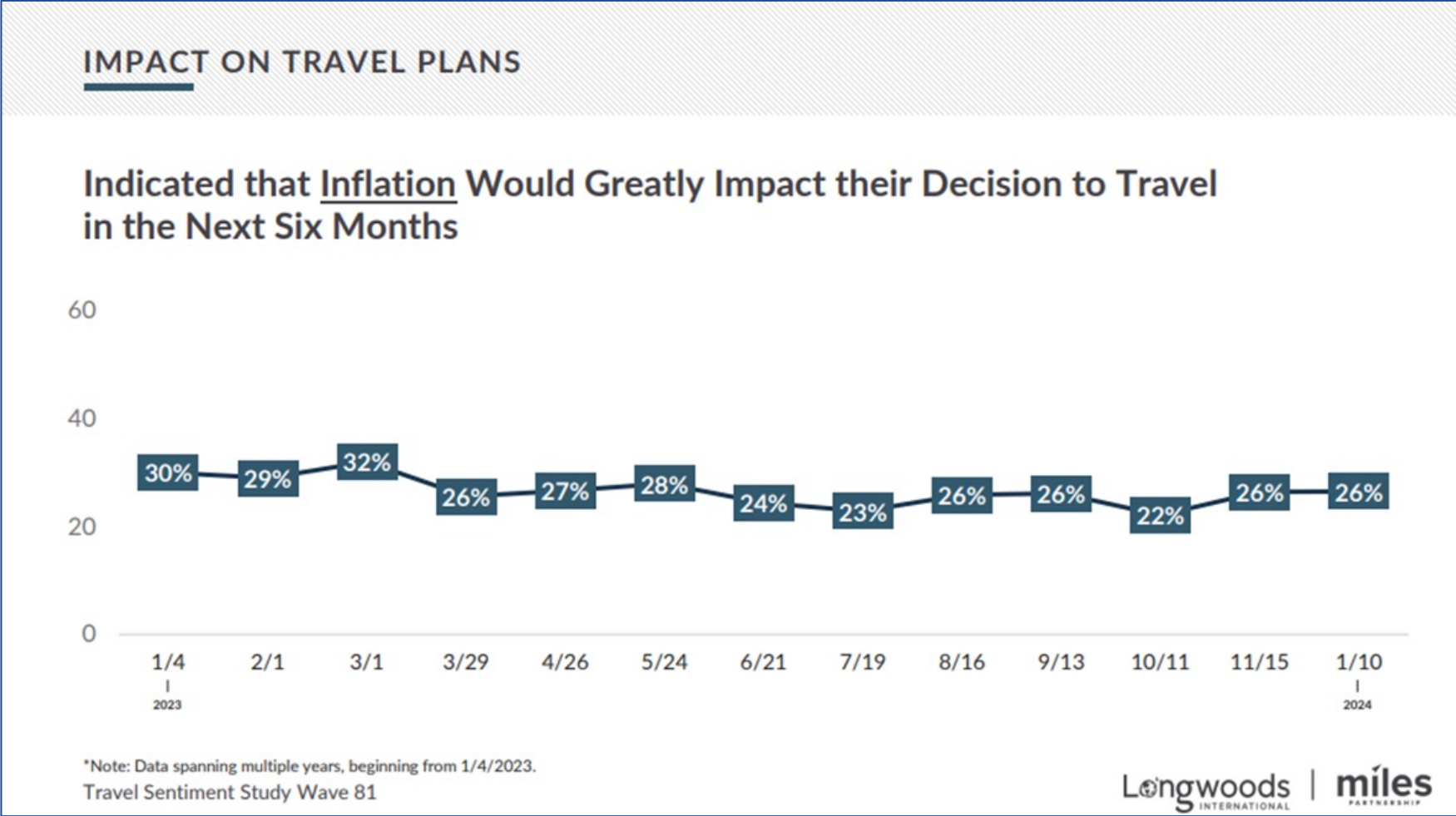
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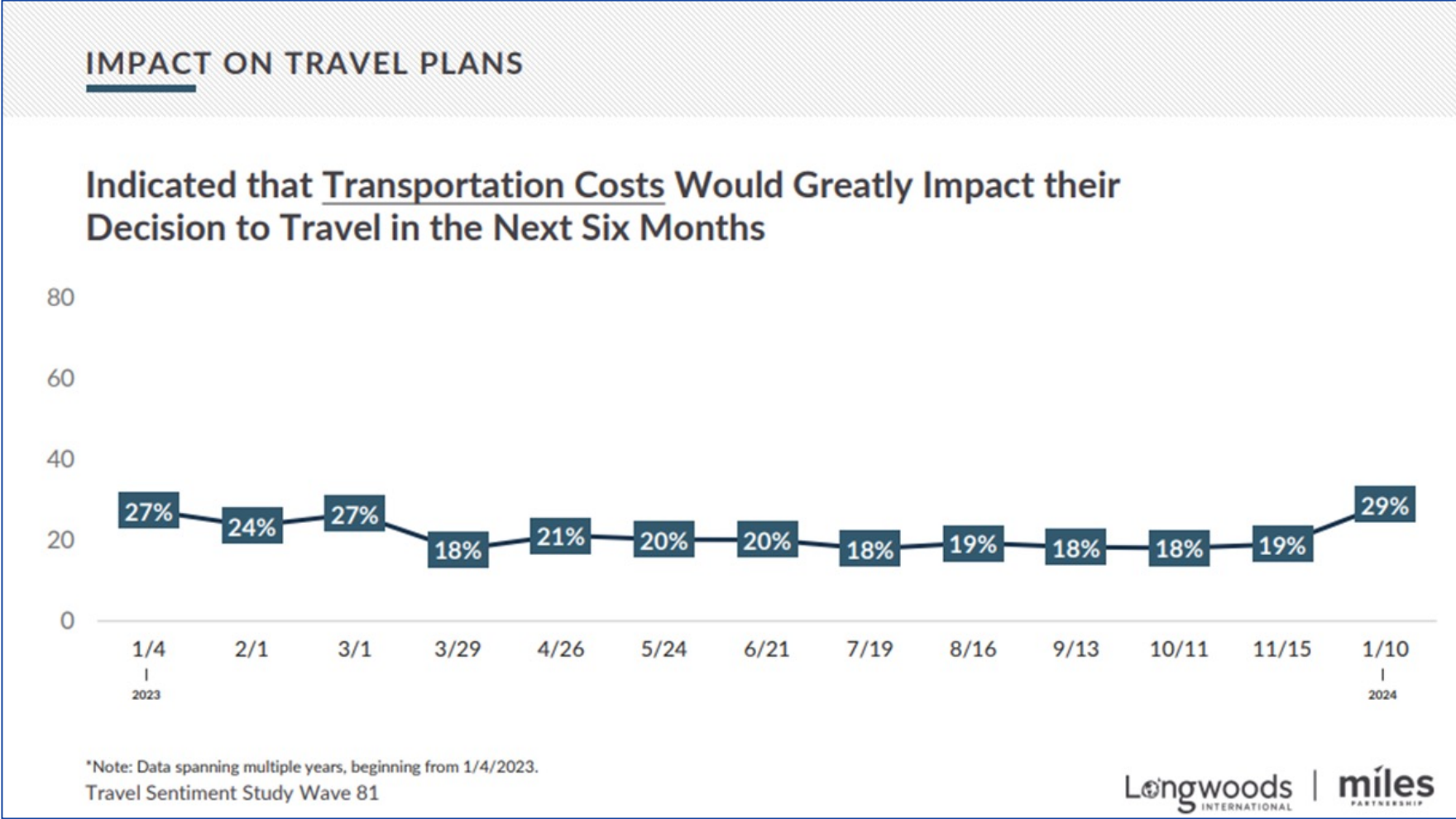
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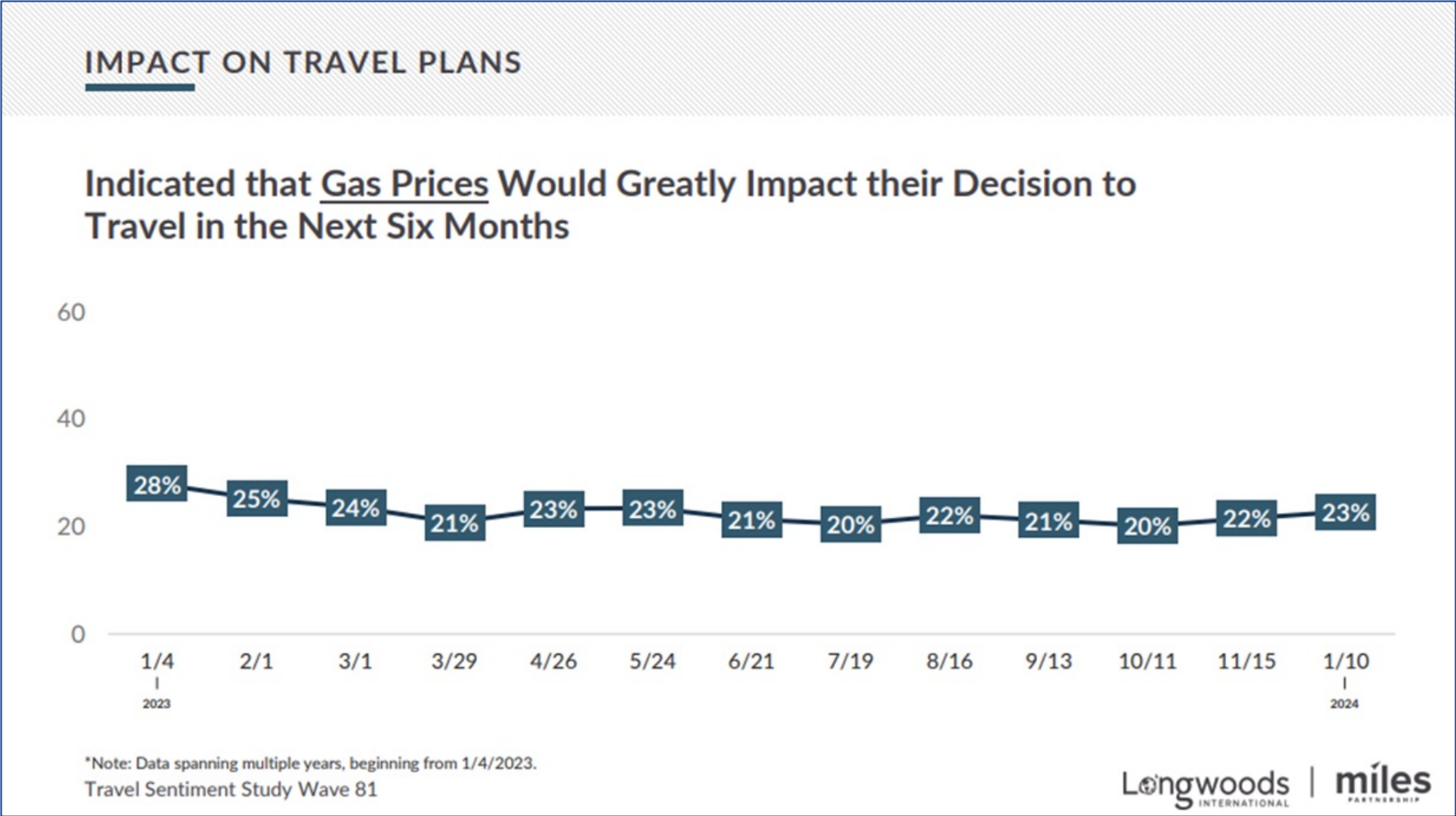
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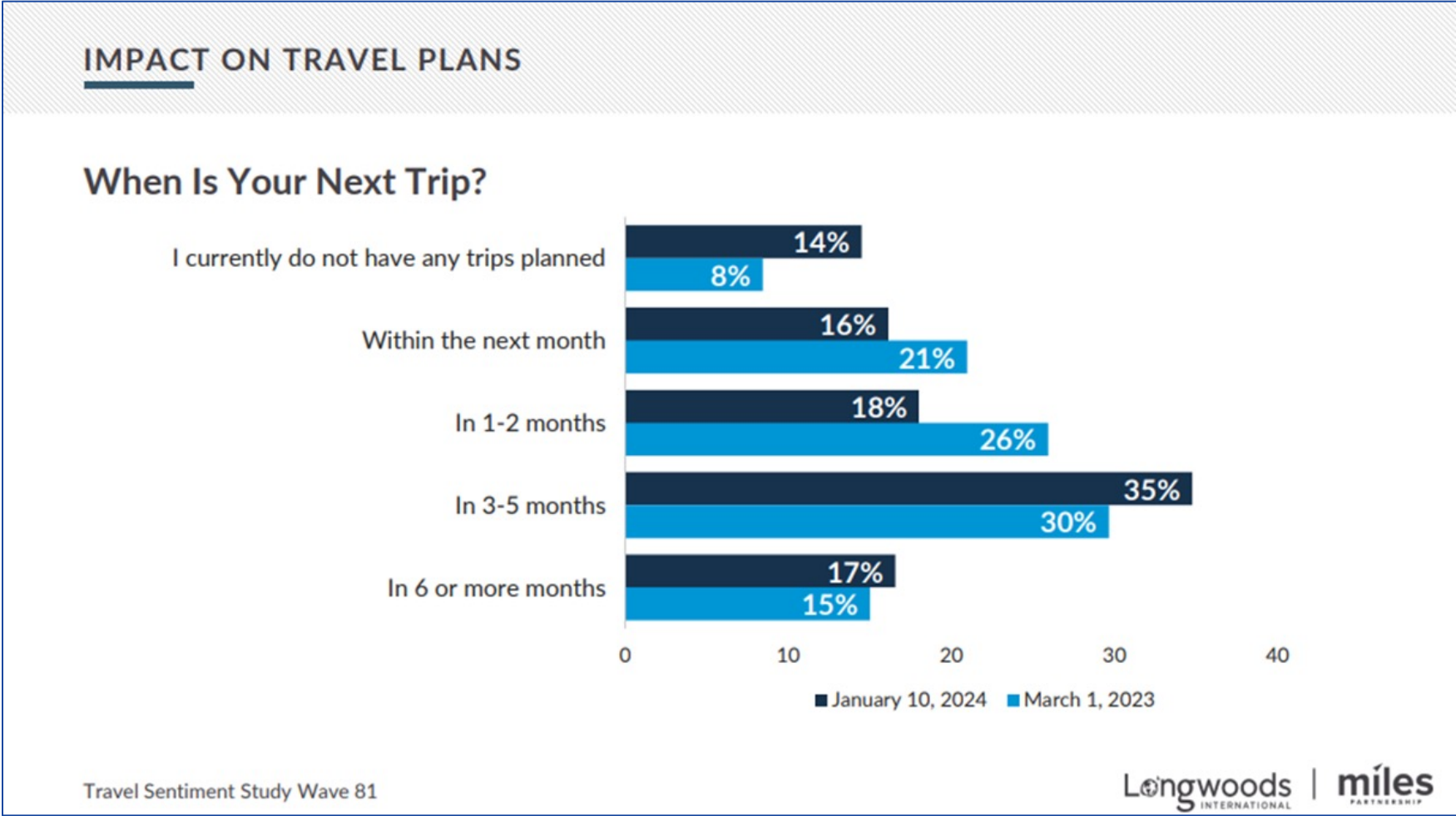
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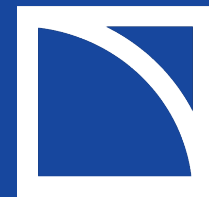


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