VISIT BIG SKY
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BIG SKY CHAMBER | VISIT BIG SKY

JUNE 2023

EXECUTIVE SUMMARY

Big Sky Travel & Tourism Trends

- The Bozeman Yellowstone International Airport continues to show strong performance, with total passengers Year-to-Date through June 2023 up by almost 7% YoY.
  - June 2023 saw an increase of 10.2% in Total Revenue Passengers compared to June 2022.
- There were 1,123 total Airbnb and Vrbo short term rental listings available in June, which is a YoY increase of 7%. Occupancy grew by 10.5%, Average Daily rate fell by -7.4%, and RevPAR increased by 2.3% compared to June of last year.
  - Total Revenue collected from these two short term rental channels totaled almost $9.8 million for the month, an increase of 17.9% YoY.
- Professionally managed short-term rentals saw a slight increase in YoY Occupancy in June, but Average Daily Rate decreased from $599 to $445, a decrease of almost 26%.
- Nearly all short-term rental Pacing (forward looking) data shows either a slight decrease or no gain in most key metrics (Occupancy, ADR, RevPAR, and Revenue) for the remainder of the summer and early fall in Big Sky.
- Visa consumer credit card spend in Big Sky continues to grow, with $40.4 million being spent within Big Sky so far this year (Jan-May 2023).
  - Note: Visa Destination Insights has not yet reported June data.

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EXECUTIVE SUMMARY

National Consumer Sentiment

- Continued excitement around travel has driven strong summer performance for many American hotels, short term rentals, and destinations in 2023.
- Concerns around recession, personal finances, and elevated travel prices still exist, but have begun to wane in recent weeks. A significant number of travelers remain apprehensive about wildfires in Western states this summer.
- Shorter booking windows for the summer travel season are being seen industry wide and will likely persist into the fall.

National Travel Trends

- June short term rental performance largely mirrored the same trends seen in May, with decreasing Occupancy rates compared to previous years, the decline of pricing power and RevPAR, and stay lengths consistent with last year. One notable difference, however, is that net reservations were higher than in 2022, 2021, and 2019.
- The inflation rate in the United States slowed yet again in June, which marked a full year of YoY inflation rate decreases. Americans are still paying an average of approximately 3% for goods and services that in May of last year.
- Gasoline costs increased 1.0% from May to June 2023, following a 5.6% decrease from April to May 2023. Airfare decreased by 8.1% in June after falling 3% from April to May 2023.

AIRPORT DATA

BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT NON-STOP DESTINATIONS

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Source: Bozeman Yellowstone International Airport

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

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Total Revenue Passengers					
Month	**2023**	**2022**	**% Change vs. 2022**	**2021**	**% Change vs. 2021**
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		256,234		277,355	
August		254,445		254,975	
September		203,844		195,262	
October		167,851		156,192	
November		132,939		117,516	
December		174,170		165,268	
Year-to-Date	**1,149,038**	**1,074,941**	**+6.9%**	**773,623**	**+48.5%**
Total		**2,264,424**		**1,940,191**	

Source: Bozeman Yellowstone International Airport

BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT - YEARLY TOTAL PASSENGERS

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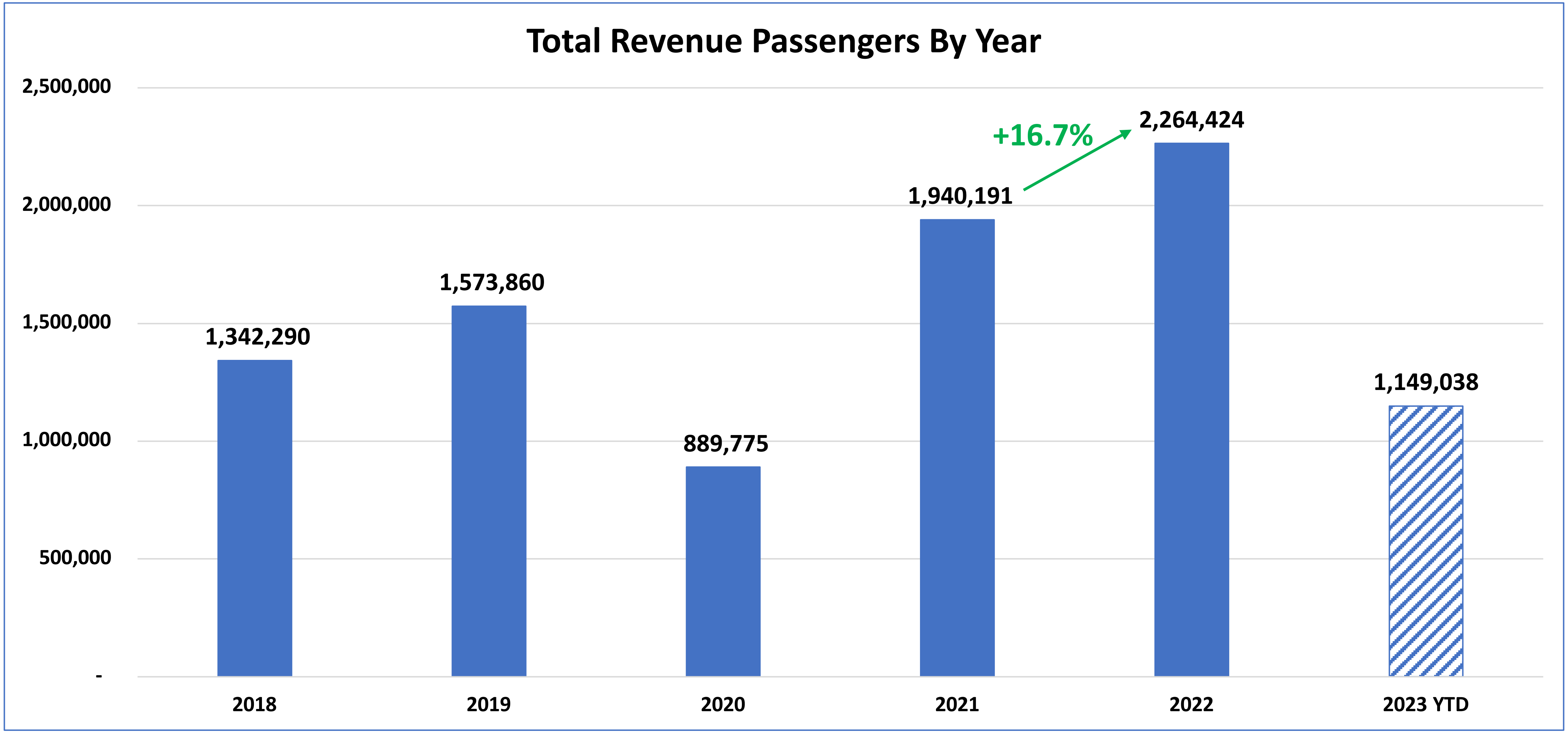

(Jan-June 2023)

Source: Bozeman Yellowstone International Airport

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AIRDNA DATA

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

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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.

Source: AirDNA

AIRDNA SHORT TERM RENTAL DATA (Airbnb & Vrbo)

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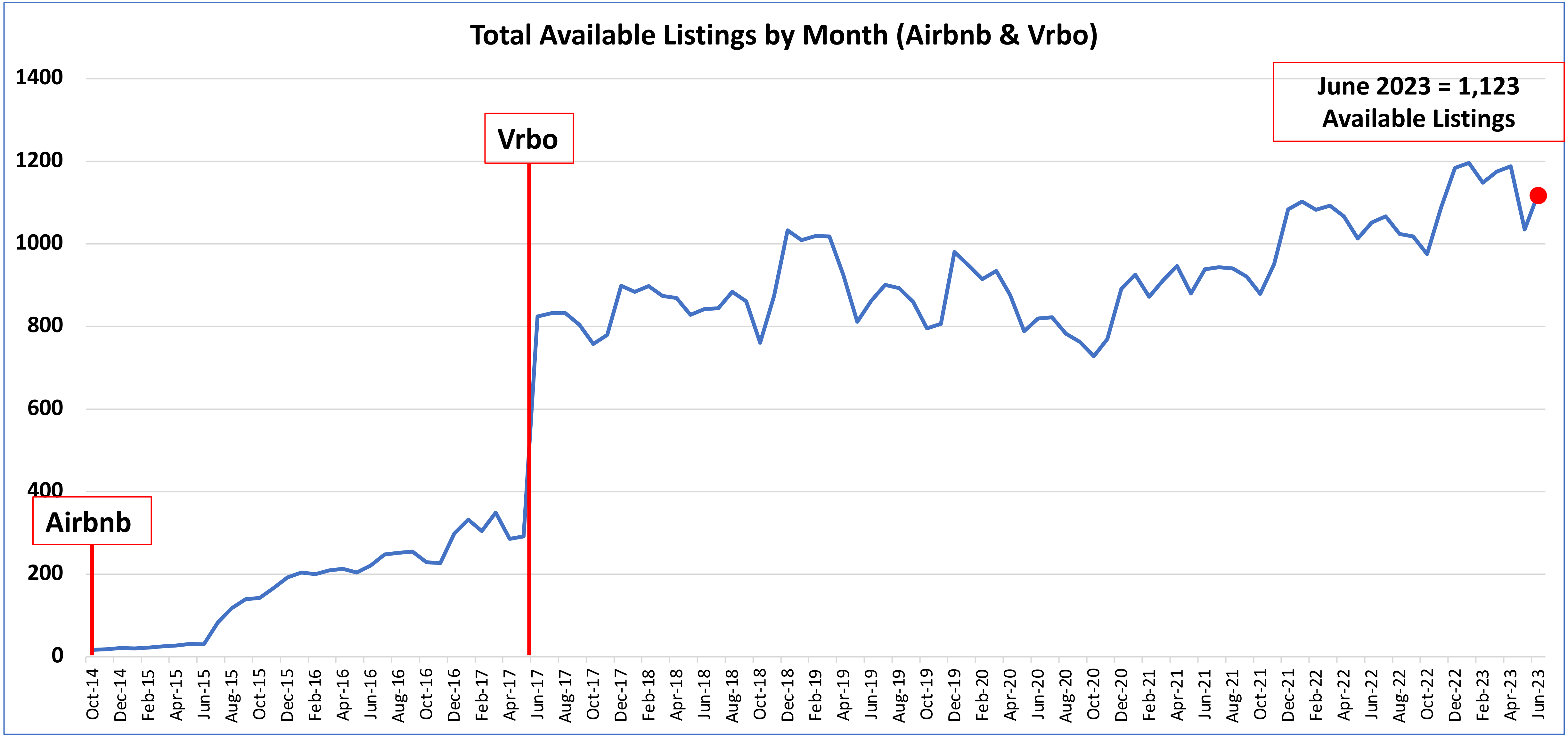

Source: AirDNA

AIRDNA – OCCUPANCY (%) BY MONTH

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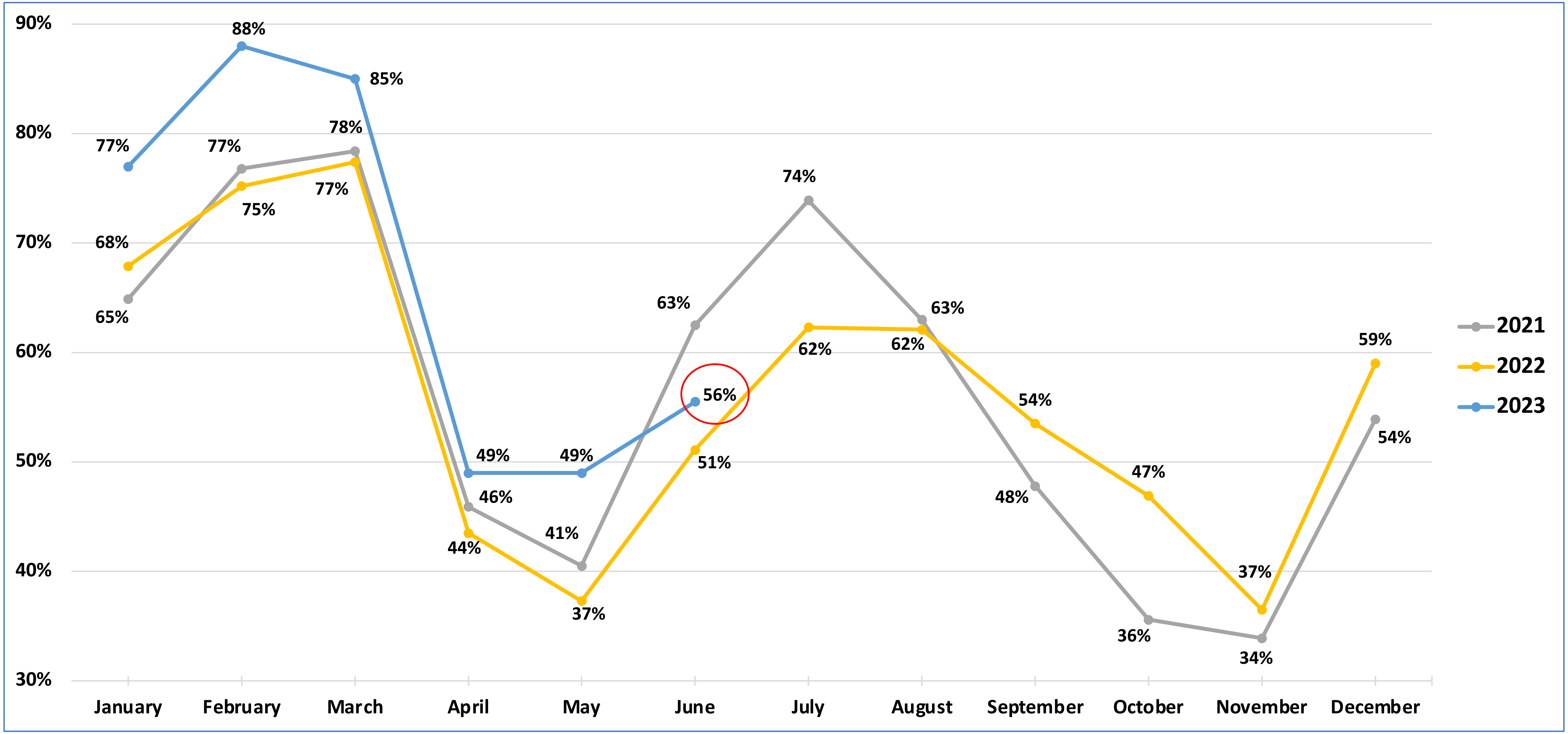

Source: AirDNA (Includes Airbnb and Vrbo data)

AIRDNA – AVERAGE DAILY RATE ($) BY MONTH

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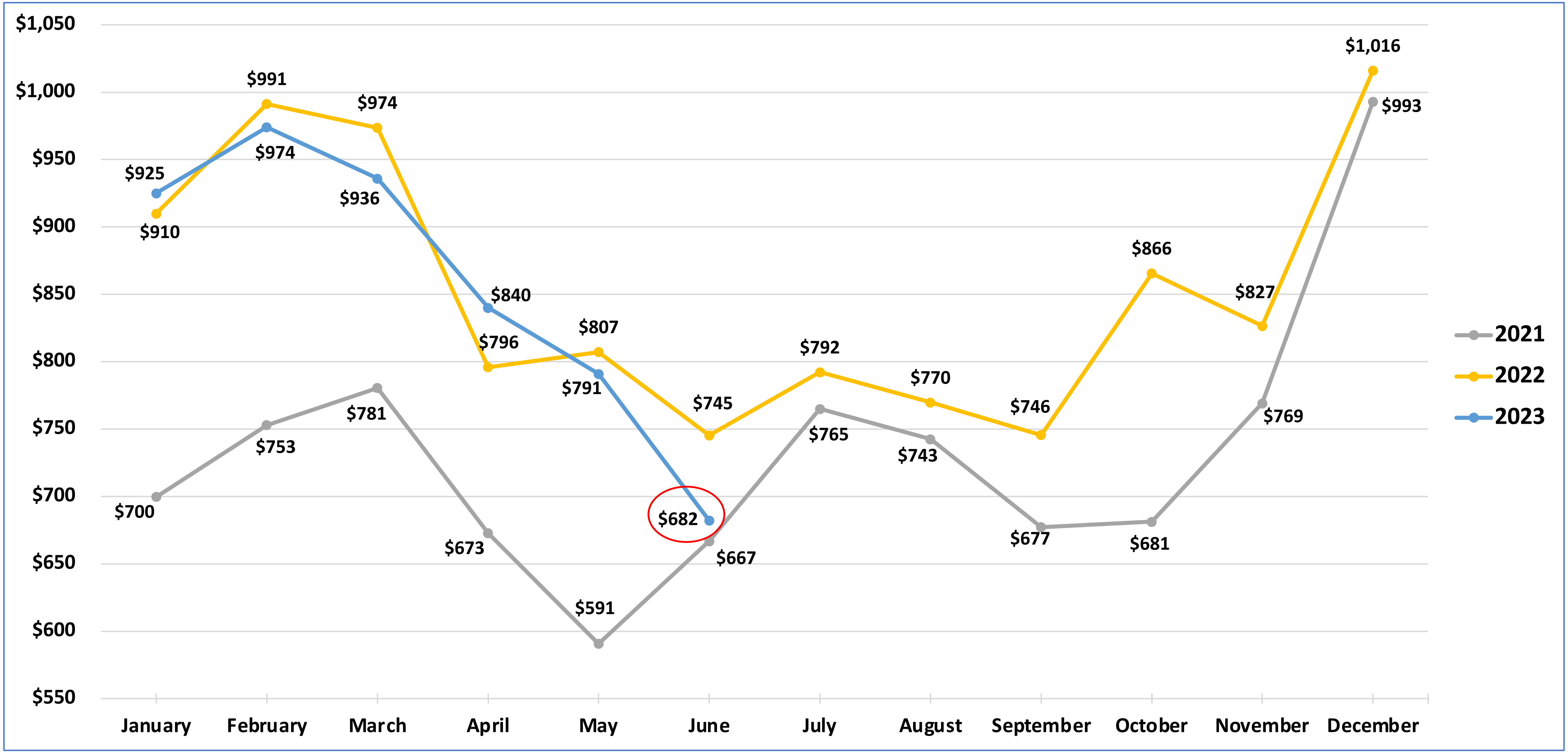

Source: AirDNA (Includes Airbnb and Vrbo data)

KEY DATA
DATA

KEY DATA DIRECT SOURCE LODGING PARTNERS

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- Key Data currently partners with 11 Big Sky property management companies and hotels.
  - In total, this represents ~1210 rental units in the Big Sky area.
  - All figures in the following slides are taken exclusively from the following 11 property management companies and hotels:
    - Big Sky Vacation Rentals, Gather Vacations, Big Sky Resort, Wilson Peak Properties, Two Pines, Moonlight Basin, Natural Retreats, VillaStay Vacation Rentals, EVOLVE, Stay Montana, and The Wilson Hotel
- 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

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- **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

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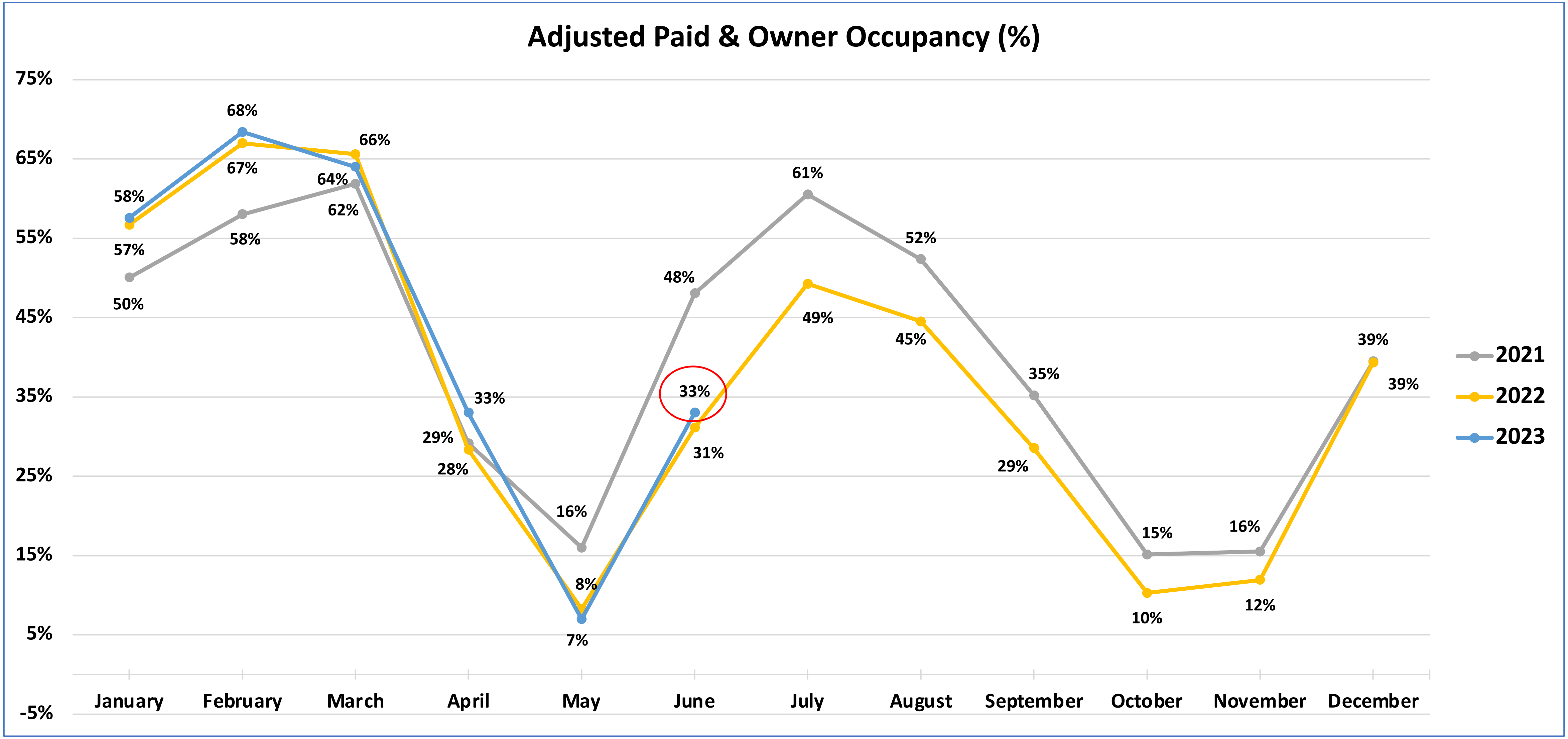

Source: AirDNA (Includes Airbnb and Vrbo data)

KEY DATA – AVERAGE DAILY RATE ($) BY MONTH

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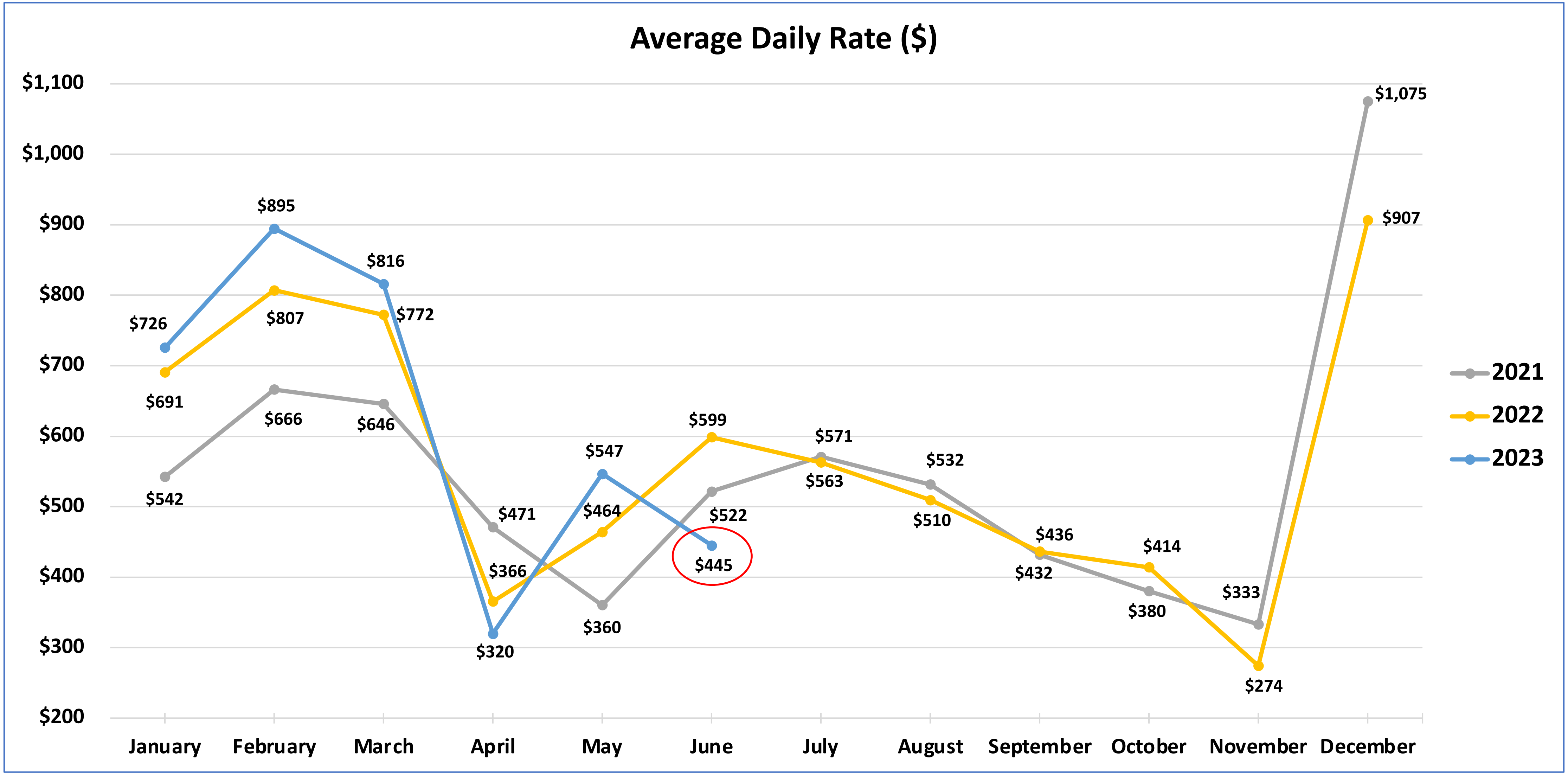

Source: AirDNA (Includes Airbnb and Vrbo data)

VISA DESTINATION INSIGHTS

**Note – Visa data has been updated through May 2023*

VISA VUE – TOTAL VISA CARD SPEND DATA BY YEAR

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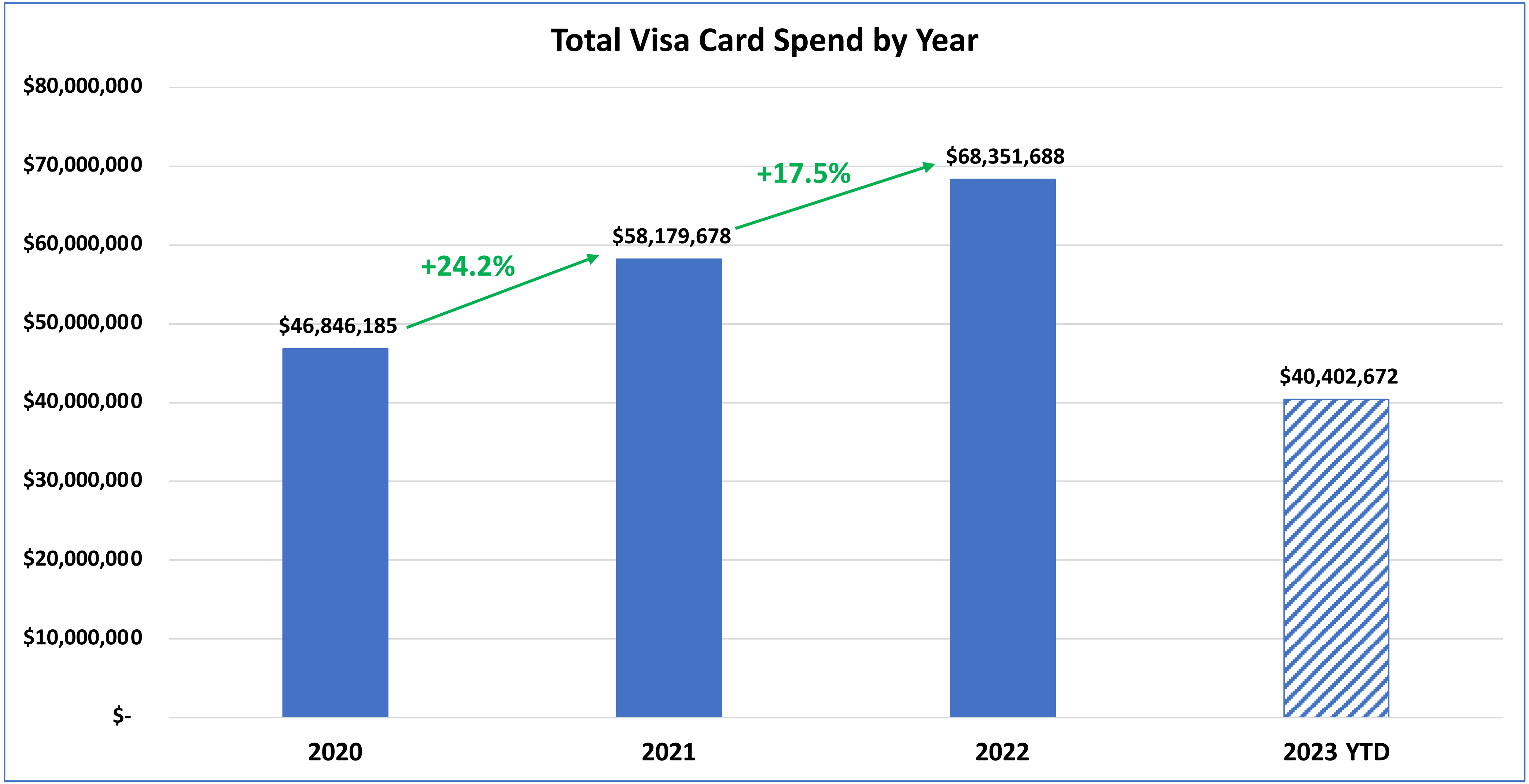

(Jan – May 2023)

Source: Visa Destination Insights

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

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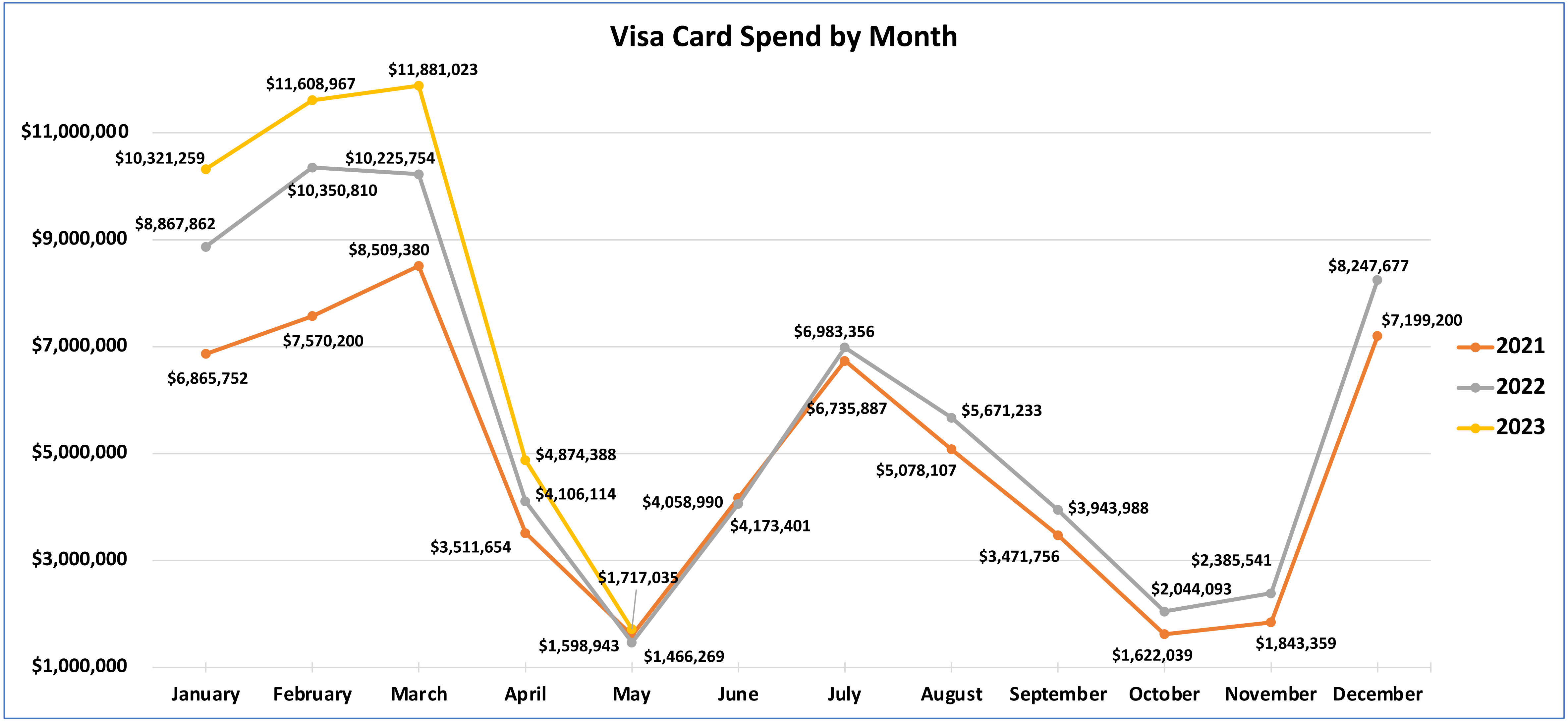

Source: Visa Destination Insights

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

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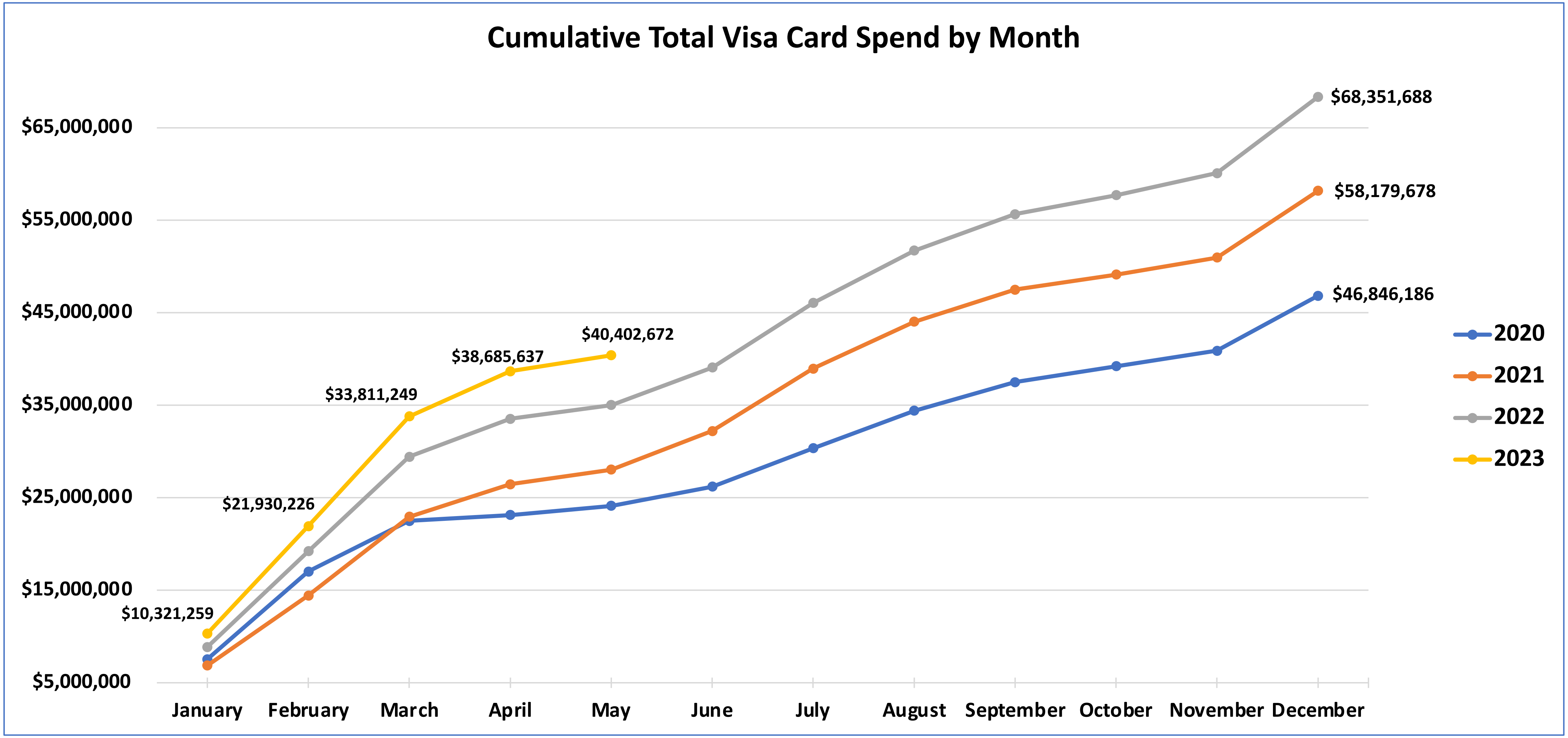

Source: Visa Destination Insights

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

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Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Bozeman, MT	$11,244,172	+37%	31,662	+26%
2	New York-Newark-Jersey City, NY-NJ-PA	$2,125,575	+12%	5,998	+8%
3	Los Angeles-Long Beach-Anaheim, CA	$1,382,996	+23%	4,077	+5%
4	Chicago-Naperville-Elgin, IL-IN-WI	$1,300,496	+18%	3,469	+13%
5	Seattle-Tacoma-Bellevue, WA	$1,029,586	+10%	3,869	+6%
6	Boston-Cambridge-Newton, MA-NH	$972,824	+22%	2,959	+11%
7	San Francisco-Oakland-Berkeley, CA	$811,145	+9%	2,803	+7%
8	Denver-Aurora-Lakewood, CO	$805,830	+22%	4,053	+11%
9	Minneapolis-St. Paul-Bloomington, MN-WI	$731,560	-7%	2,796	-8%
10	Washington-Arlington-Alexandria, DC-VA-MD	$701,454	+26%	1,795	+2%

Source: Visa Destination Insights

VISA VUE – 2022 & 2023 YTD VISA CARD SPEND VISITORS VS. RESIDENTS (AS A PERCENT OF TOTAL SPEND)

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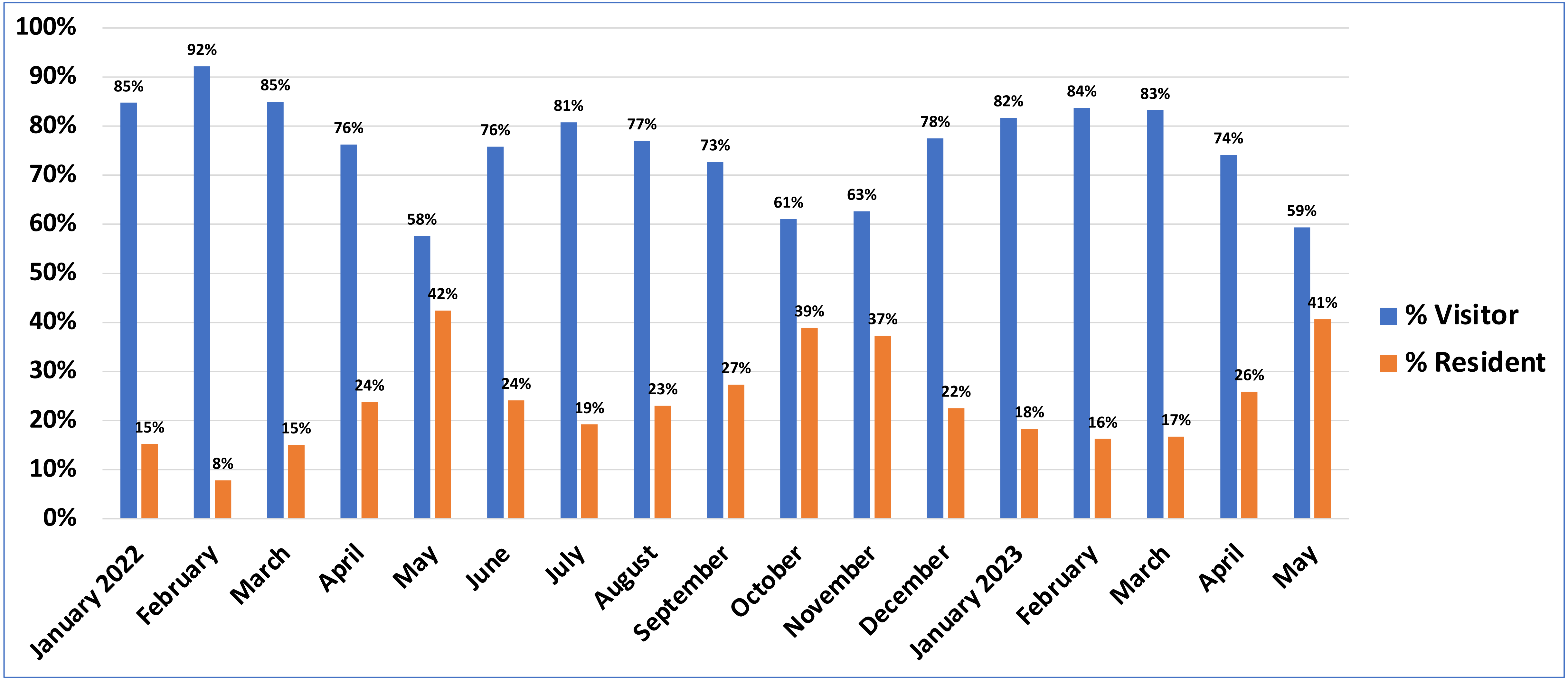

Source: Visa Destination Insights

VISA CARD SPEND ANALYSIS BY YEAR: TOTAL ANNUAL SPEND - VISITORS VS. RESIDENTS

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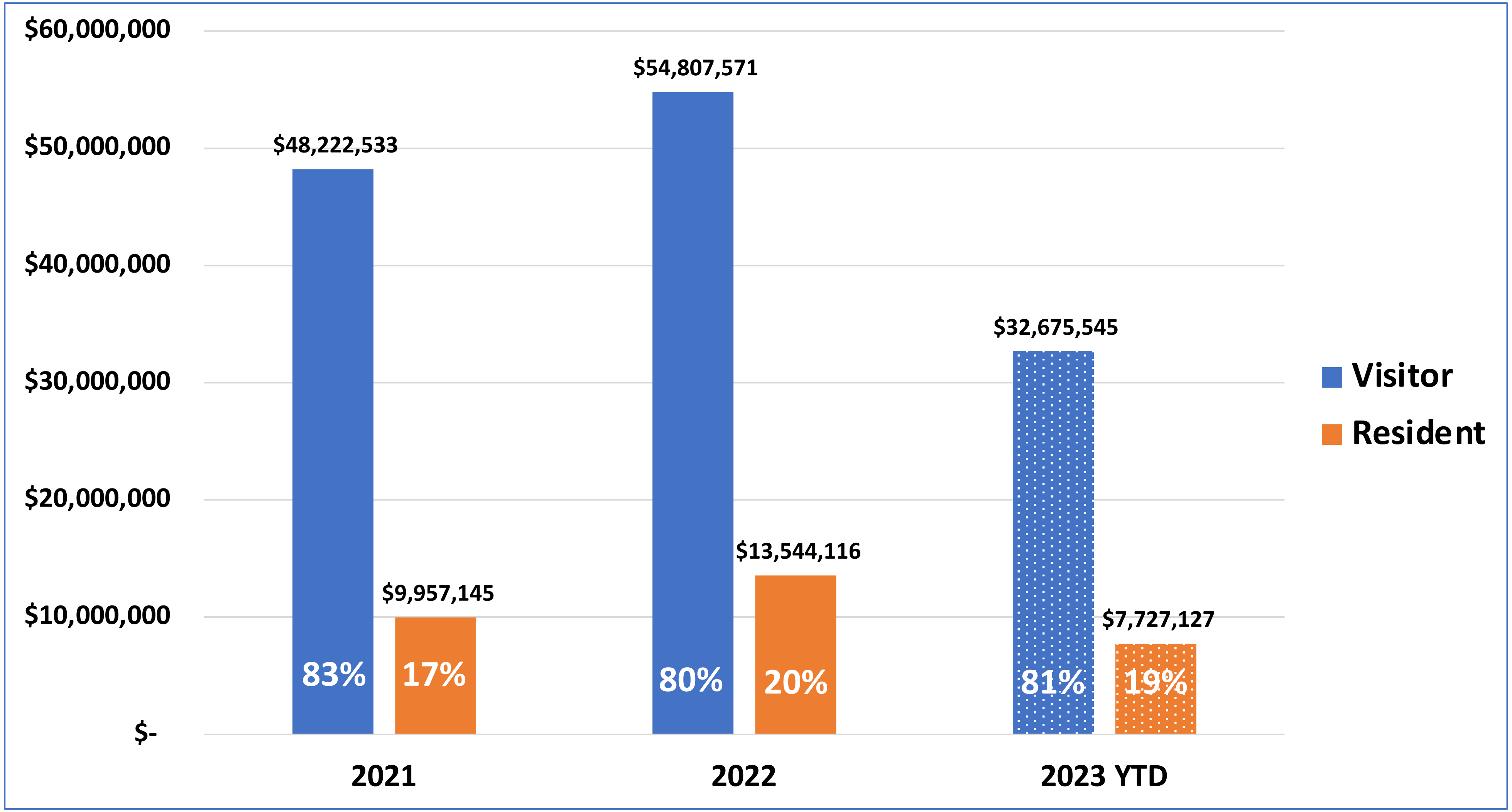

(January – May)

Source: Visa Destination Insights

CONSUMER SENTIMENT DATA

LONGWOODS INTERNATIONAL & DESTINATIONS INTERNATIONAL

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TRAVEL SENTIMENT STUDY WAVE 75

*Survey fielded June 21, 2023; US National Sample of 1,000 adults 18+

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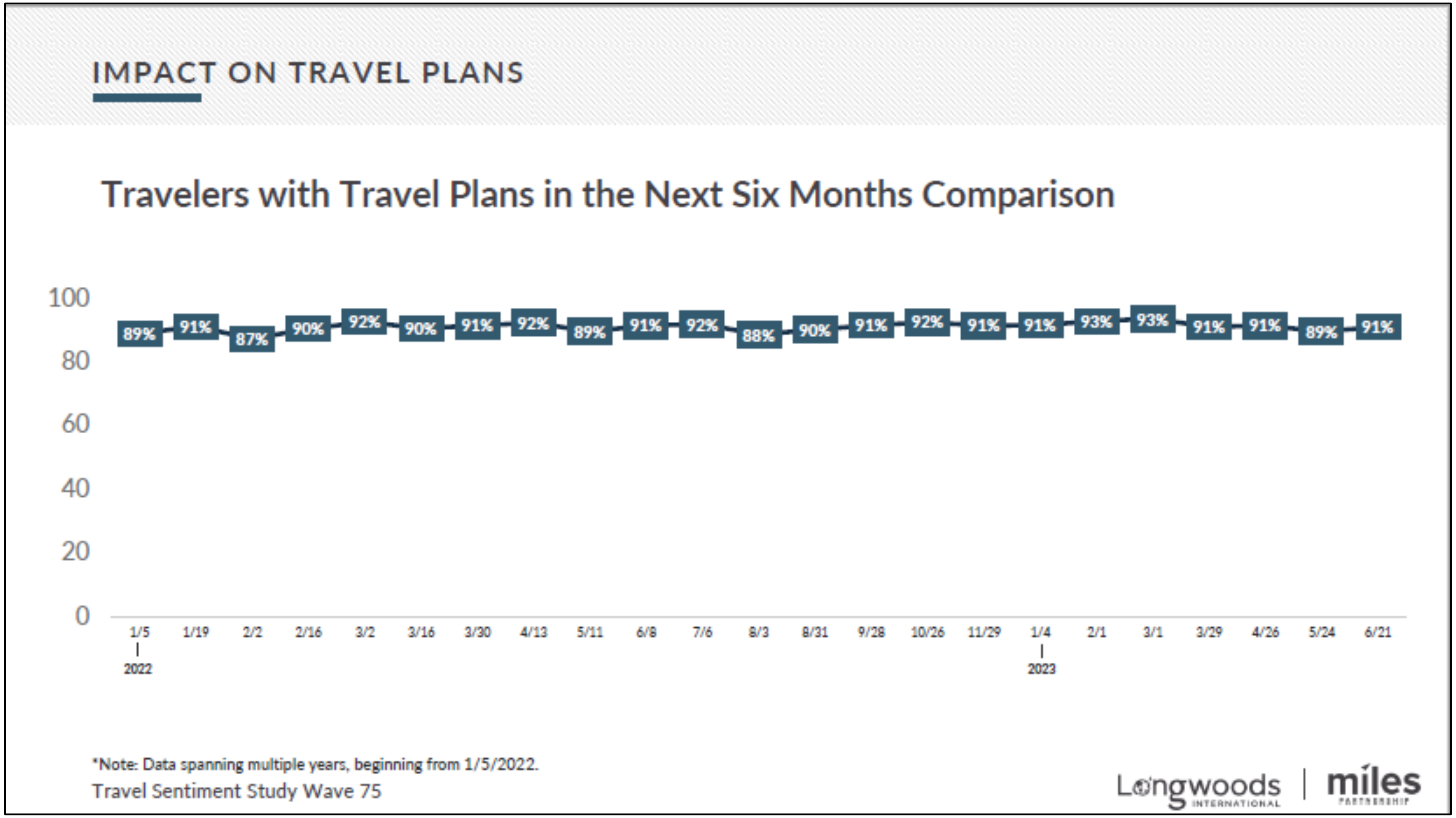

Source: Longwoods International

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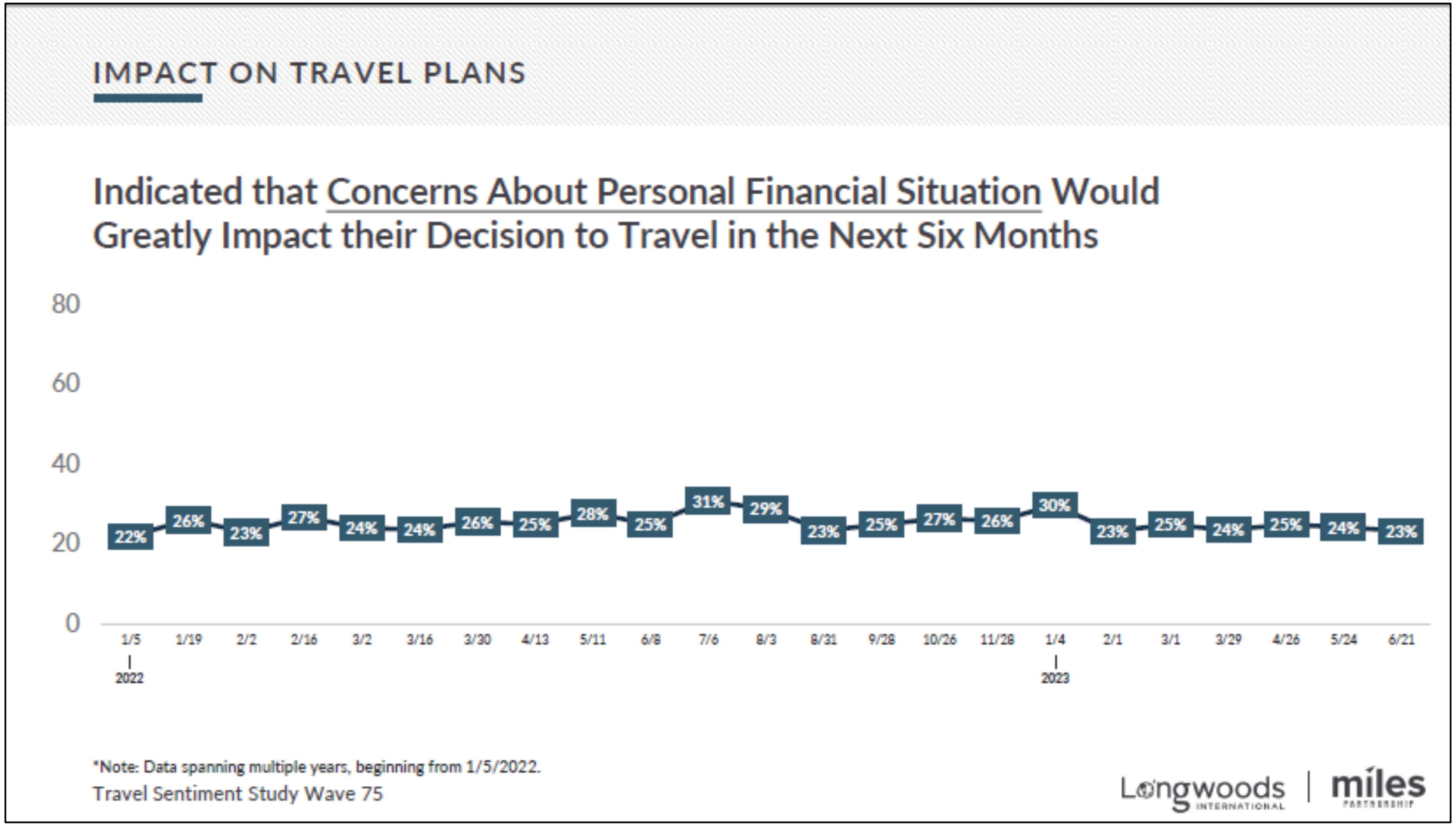

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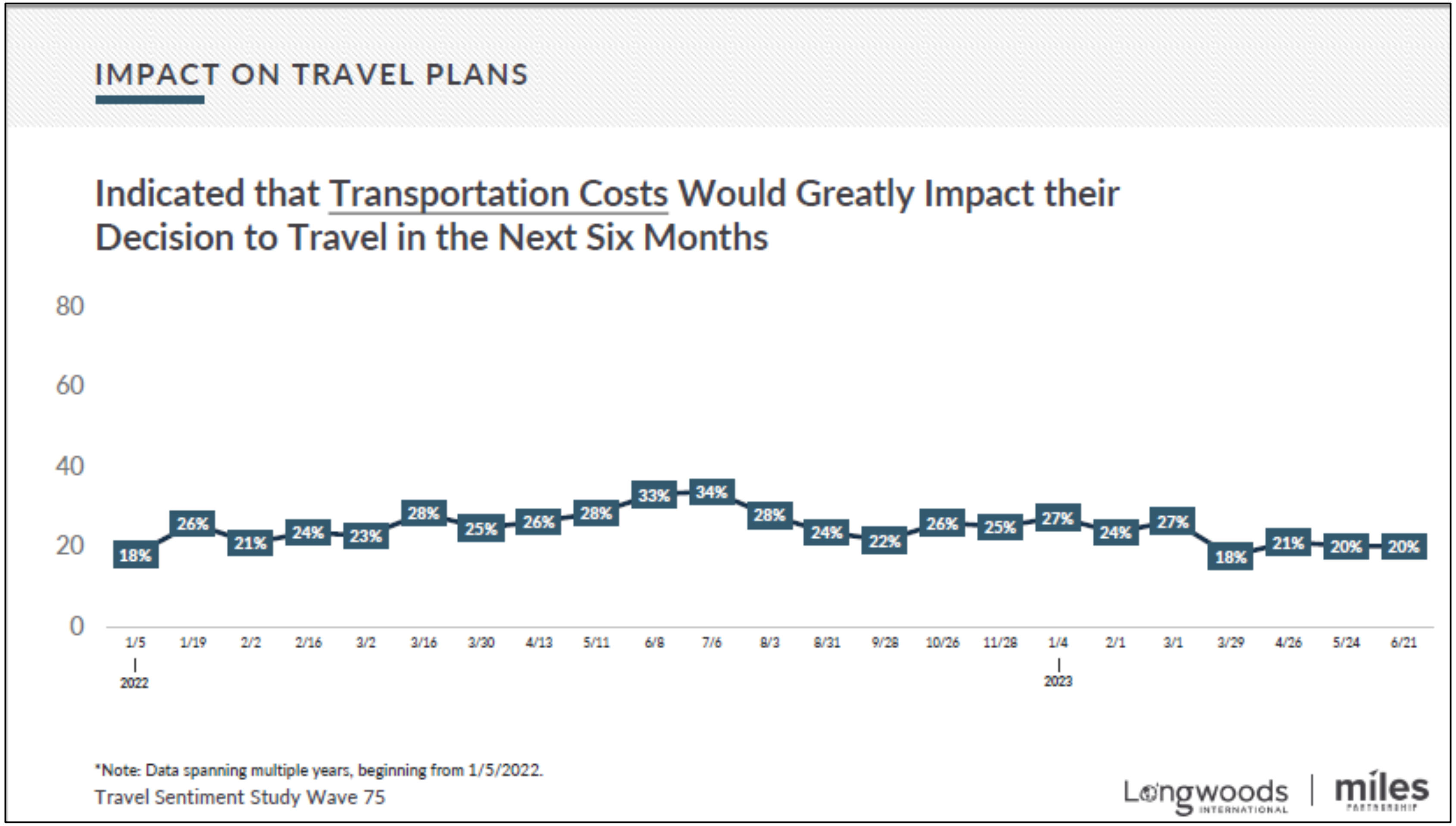

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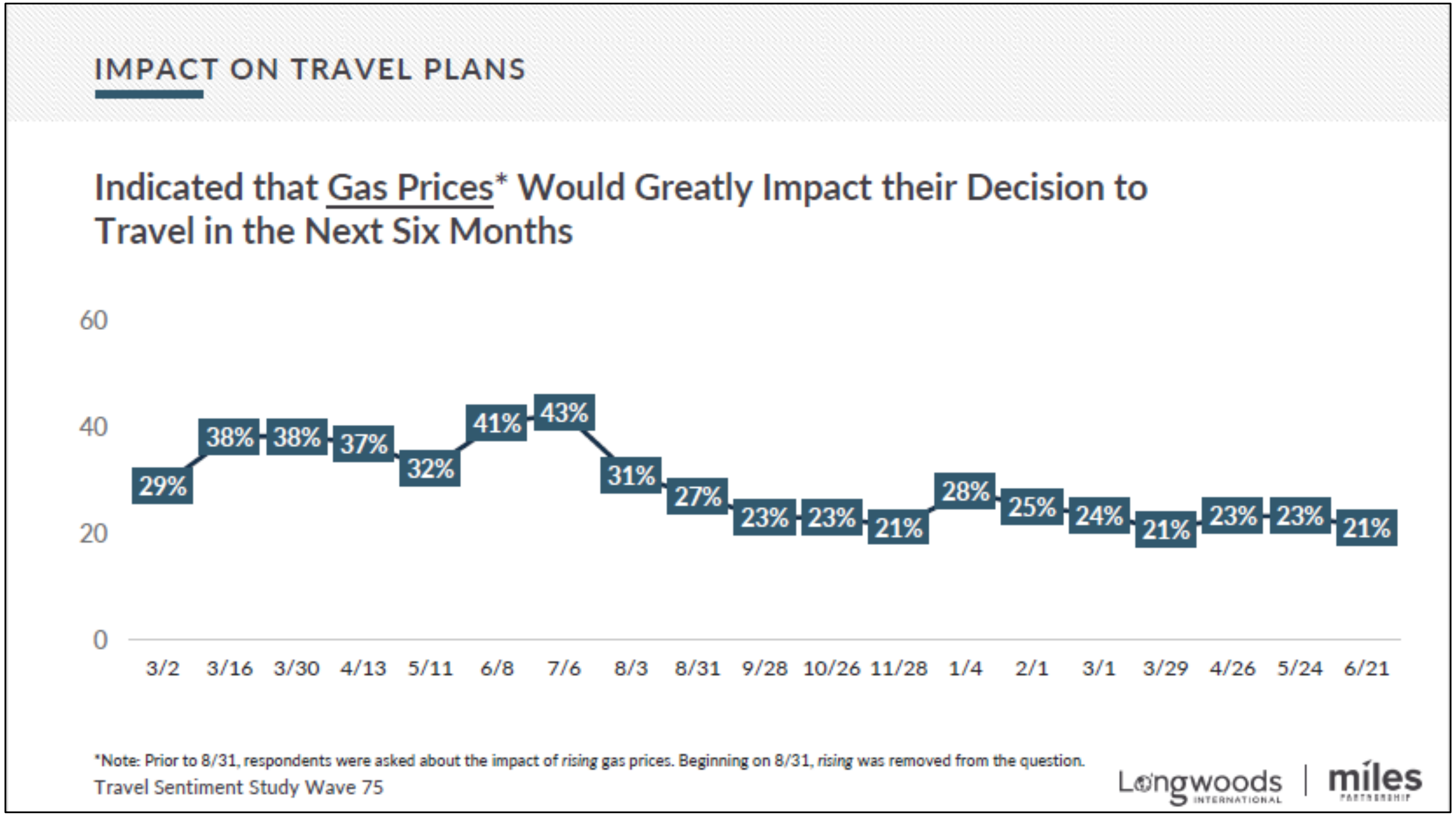

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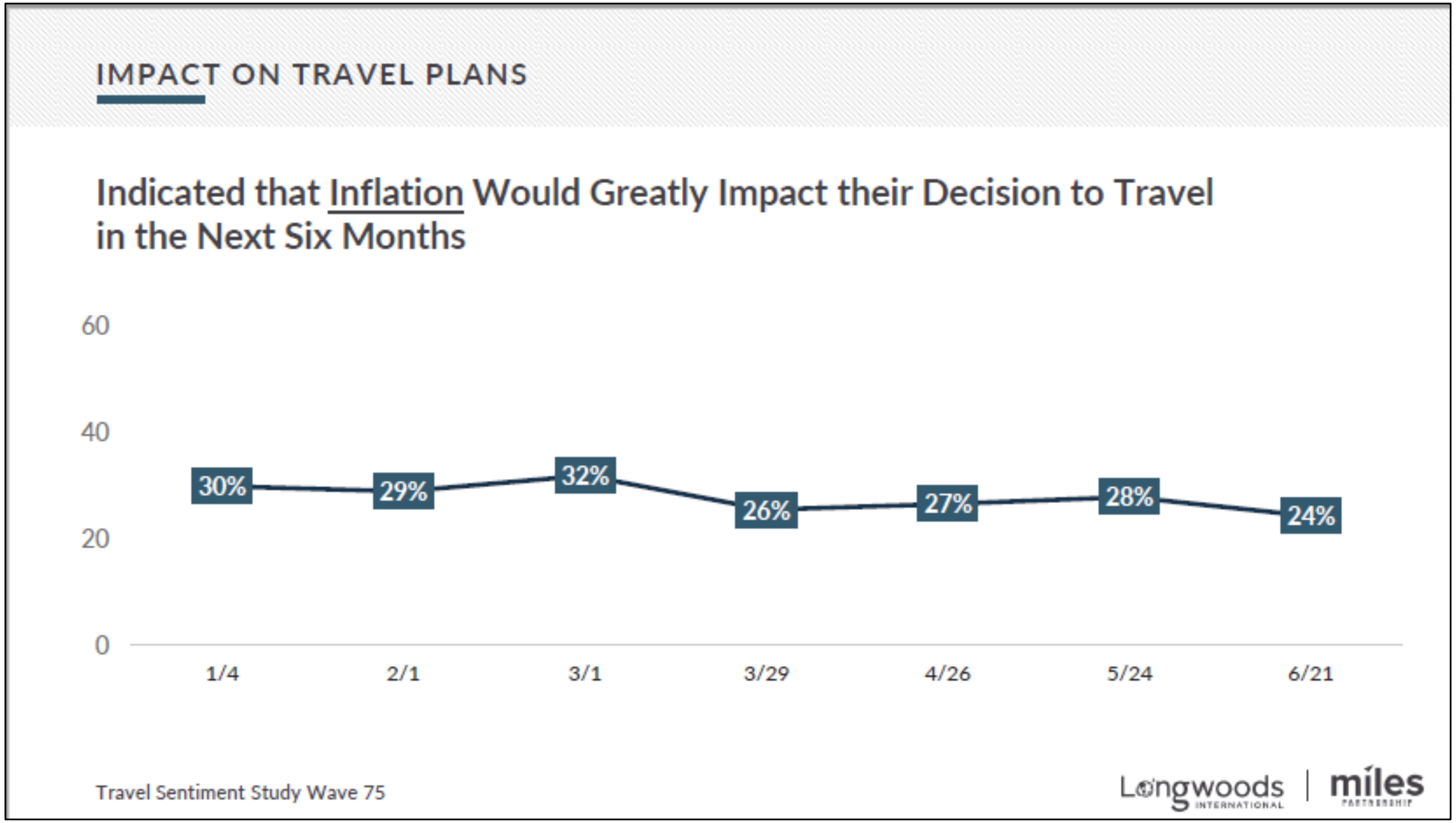

Source: Longwoods International

TRAVEL SENTIMENT STUDY WAVE 75

*Survey fielded June 21, 2023; US National Sample of 1,000 adults 18+

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Source: Longwoods International

STATE OF THE AMERICAN TRAVELER

*Survey fielded June 17-21, 2023; Representative sample of adult American travelers; N = 4,000+

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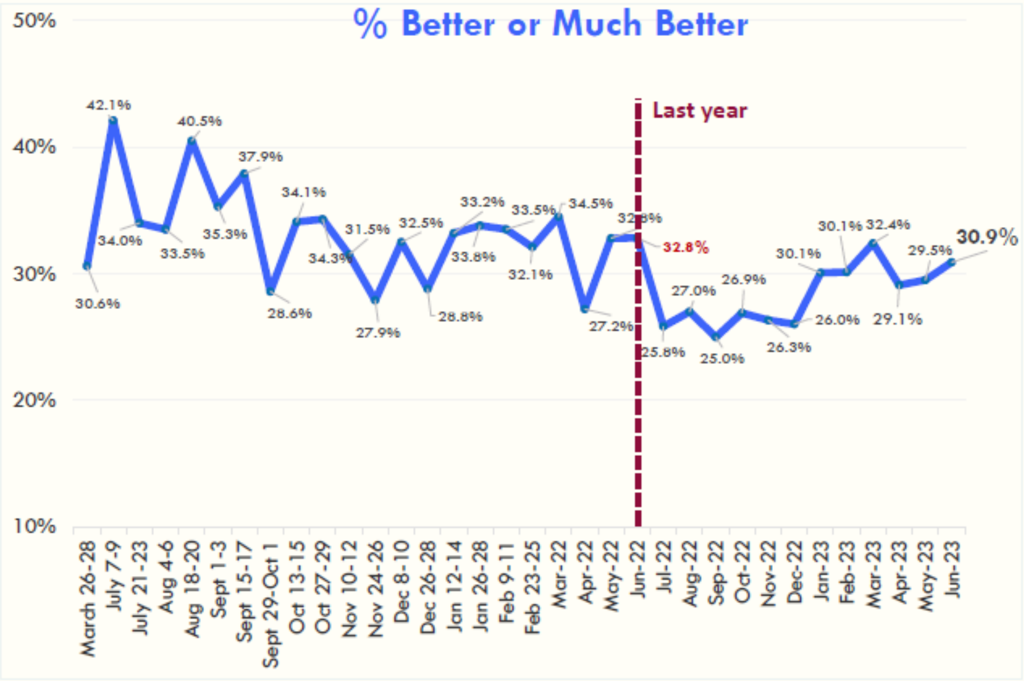
Question: Would you say that you (and your household) are better off or worse off financially than you were a year ago?



Destination Analysts

Travelers are feeling slightly less financially well off than they were one year ago.

Source: Destination Analysts

STATE OF THE AMERICAN TRAVELER

*Survey fielded June 17-21, 2023; Representative sample of adult American travelers; N = 4,000+

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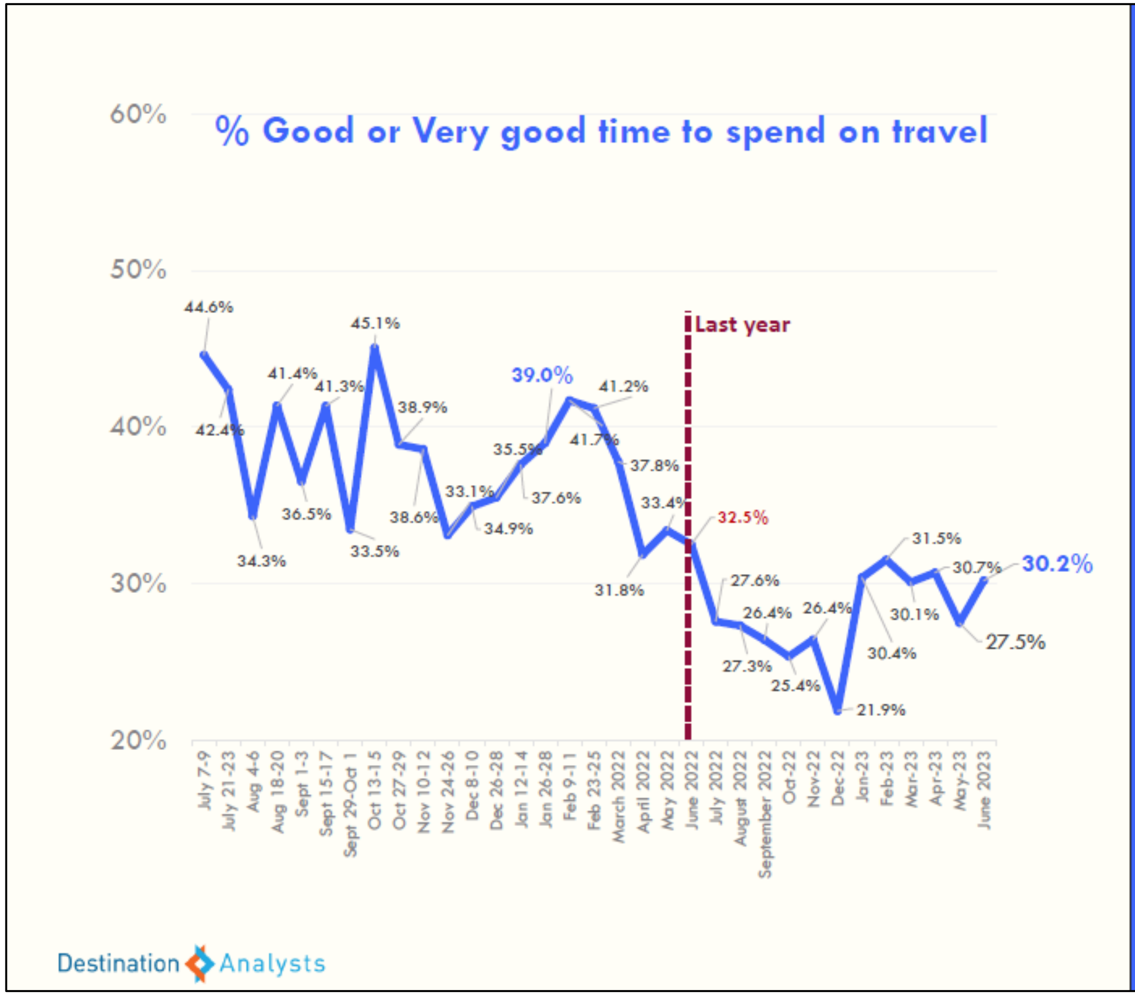

The proportion of Americans who feel it is a "good time" to spend on leisure was about 2 points below last year at this time.

Source: Destination Analysts

STATE OF THE AMERICAN TRAVELER

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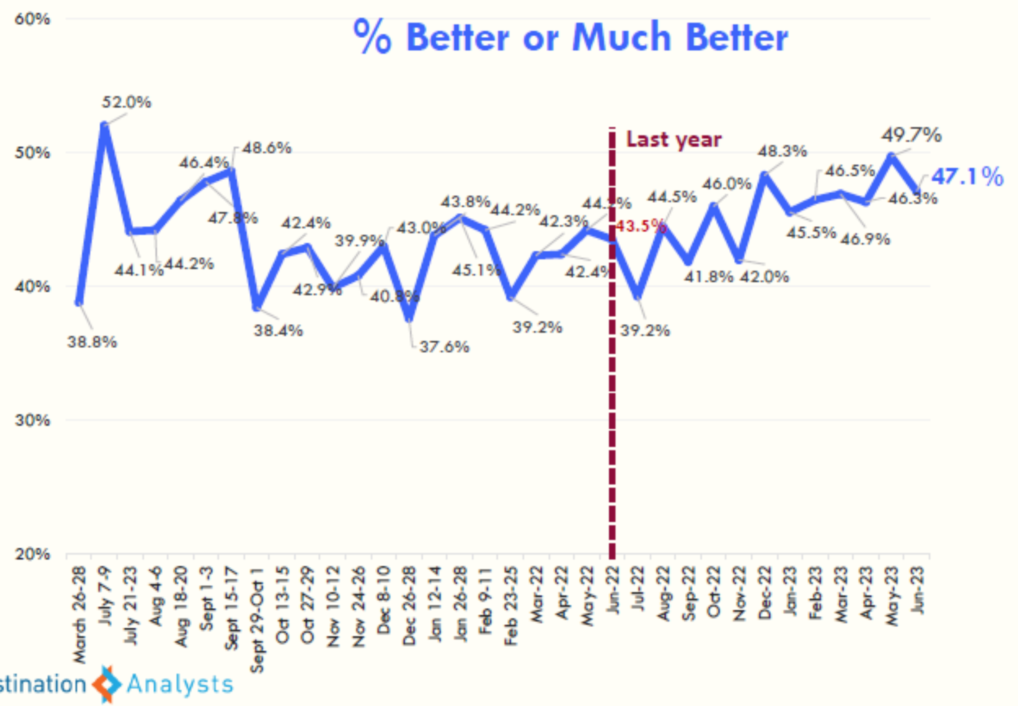
*Survey fielded June 17-21, 2023; Representative sample of adult American travelers; N = 4,000+

Question: LOOKING FORWARD—do you feel that a year from now, you (and your household) will be better off financially, or worse off, or just about the same as now?



Traveler expectations for their financial prospects in the next year dropped slightly this month.

Source: Destination Analysts

STATE OF THE AMERICAN TRAVELER

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*Survey fielded June 17-21, 2023; Representative sample of adult American travelers; N = 4,000+

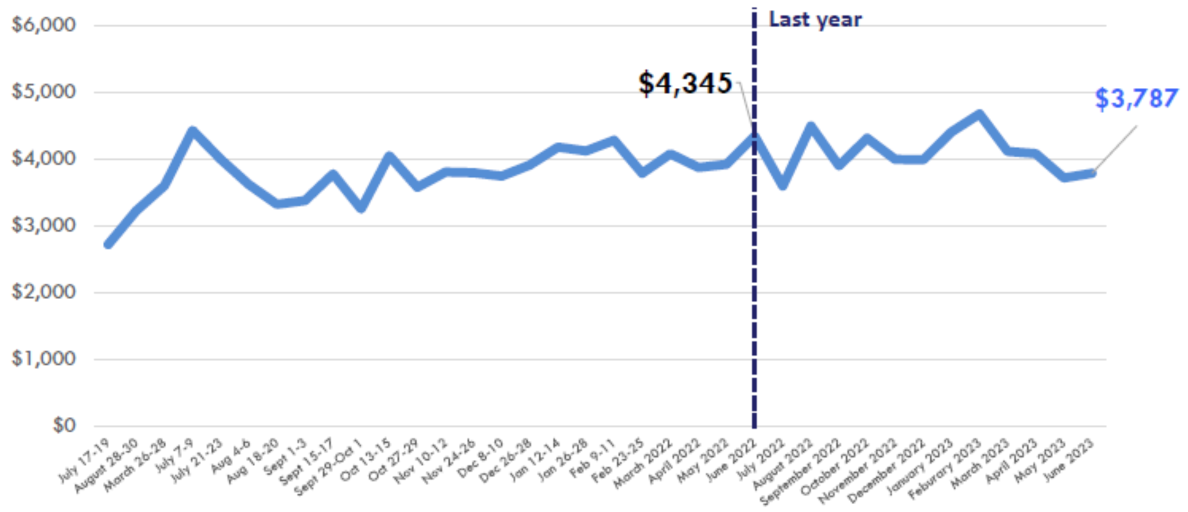
MAXIMUM TRAVEL SPENDING: NEXT 12 MONTHS—TIME SERIES

Question: How much **IN TOTAL** is the maximum you will spend on leisure travel (including airfare, accommodations and all other trip related spending) during the **NEXT 12 MONTHS?**

Maximum I would spend on leisure travel (next 12 months):

____

(Base: All respondents, 1,200+ completed surveys each wave in 2021. 4,000+ completed surveys each wave in 2022 and 2023)



Destination Analysts

Source: Destination Analysts

STATE OF THE AMERICAN TRAVELER

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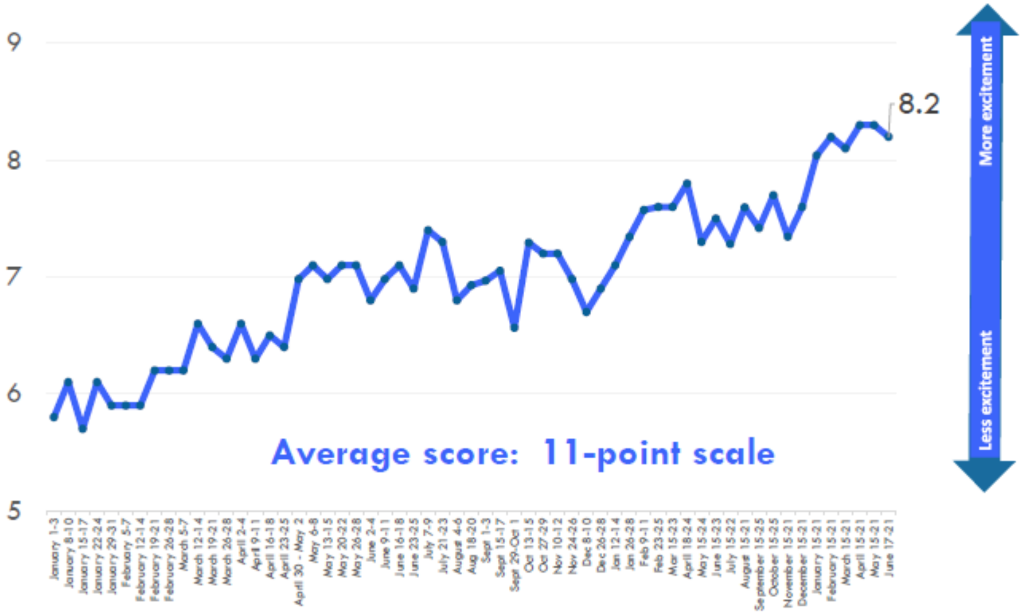
*Survey fielded June 17-21, 2023; Representative sample of adult American travelers; N = 4,000+

Question: Which best describes how excited you are about <u>LEISURE TRAVEL</u> in the NEXT TWELVE (12) MONTHS? (Please answer using the 11-point scale below)



Destination Analysts

Question:

Which best describes how excited you are about <u>LEISURE TRAVEL</u> in the NEXT TWELVE (12) MONTHS? (Please answer using the 11-point scale below)

Source: Destination Analysts

STATE OF THE AMERICAN TRAVELER

*Survey fielded June 17-21, 2023; Representative sample of adult American travelers; N = 4,000+

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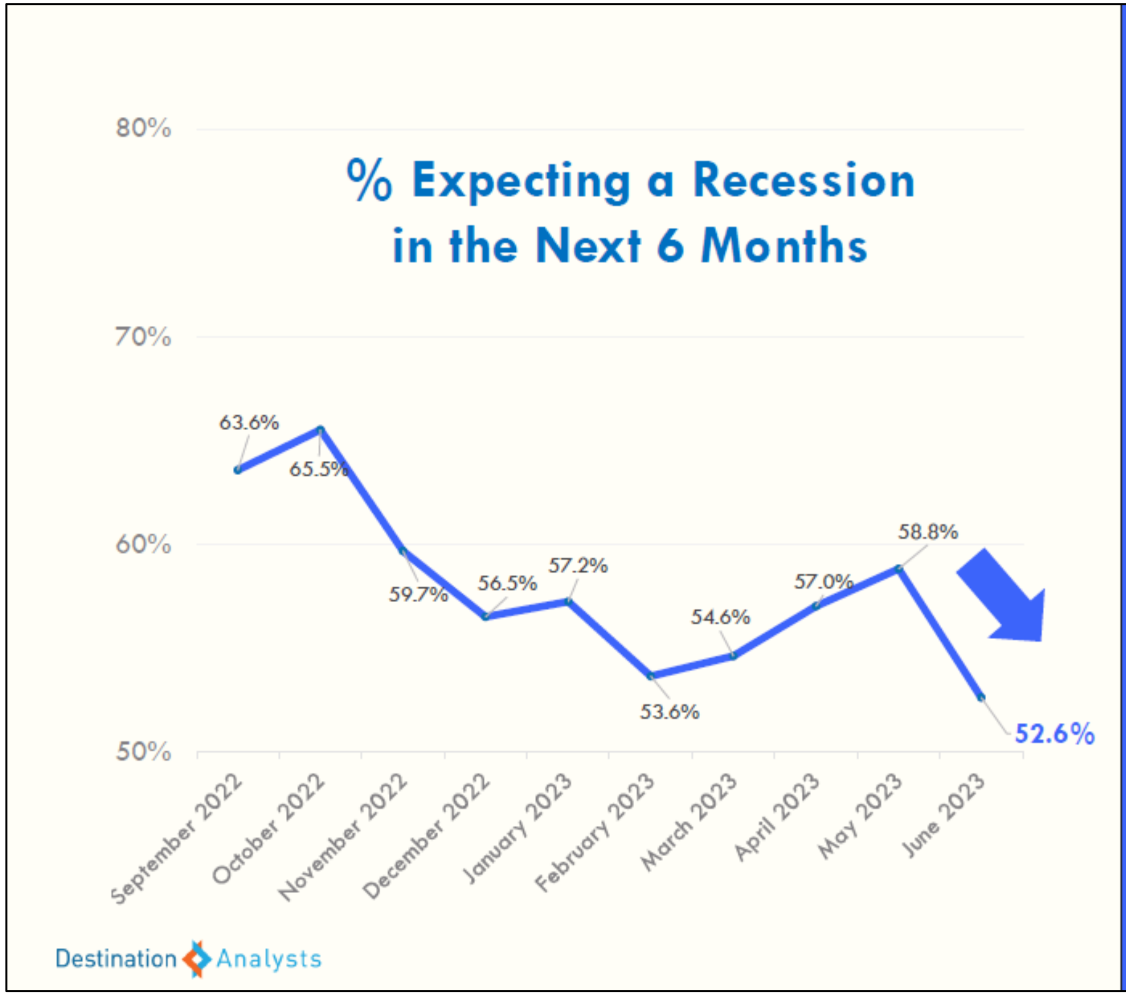

Recessionary concerns are at the lowest level since we began tracking this metric.

Source: Destination Analysts

STATE OF THE AMERICAN TRAVELER

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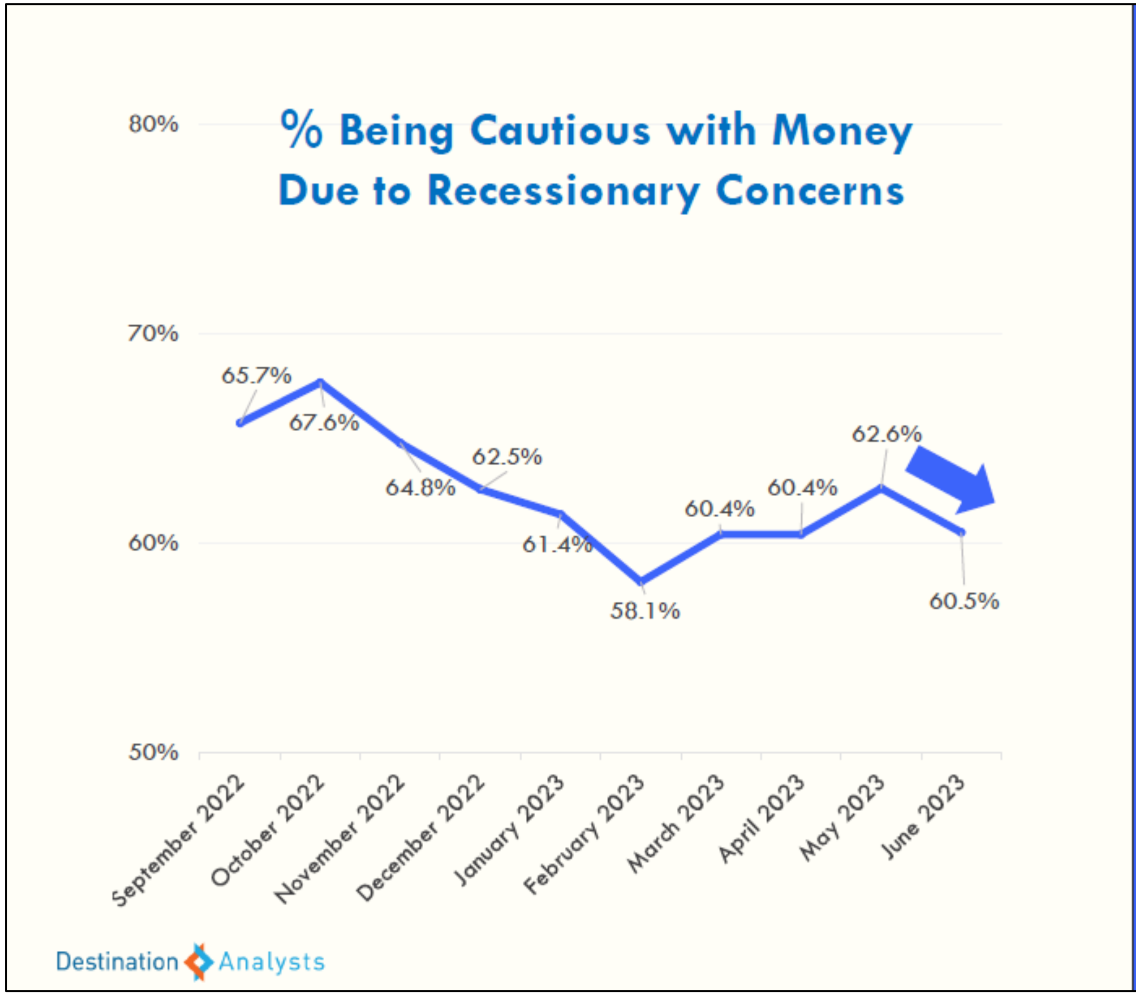
*Survey fielded June 17-21, 2023; Representative sample of adult American travelers; N = 4,000+



Increases seen in travelers exercising spending caution due these recessionary concerns reversed somewhat this month.

Source: Destination Analysts

STATE OF THE AMERICAN TRAVELER

*Survey fielded June 17-21, 2023; Representative sample of adult American travelers; N = 4,000+

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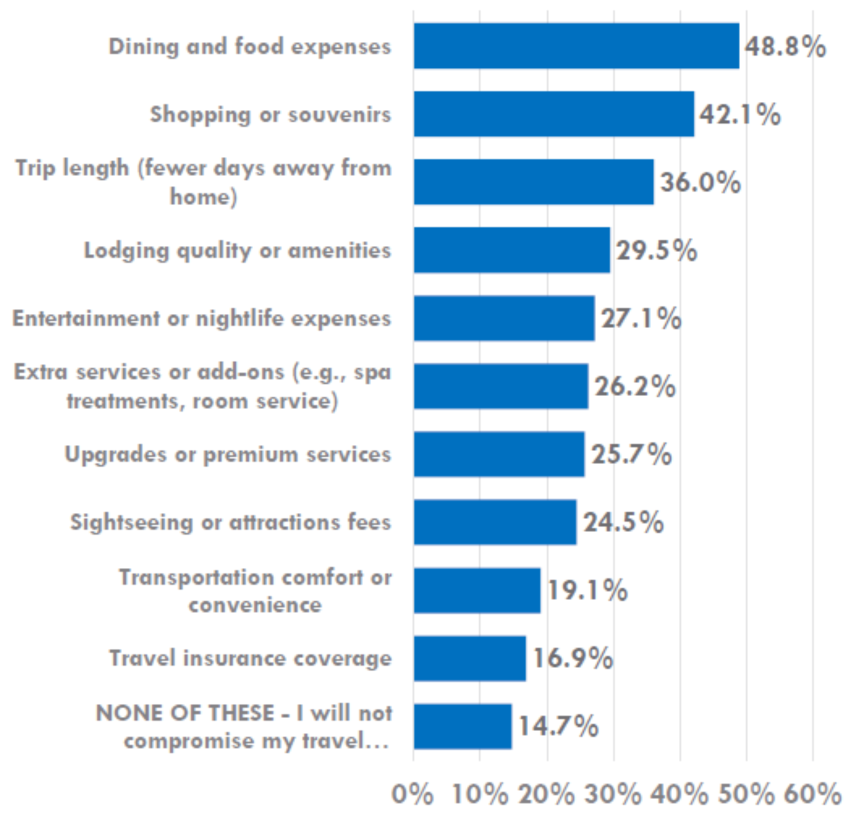
Question: In the NEXT THREE (3) MONTHS when attempting to save money on travel, which of these aspects (if any) will you be likely to compromise on?

I will likely compromise on ________________ to save money



Destination Analysts

(Base: Respondents planning a trip in the next 3 months, 3,352 completed surveys. Data collected June 17-21, 2023.)

Source: Destination Analysts

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BLUE ROOM
RESEARCH