



RESEARCH UPDATE

JUNE 2024 REVIEW

Big Sky Travel & Tourism Trends

- 285,722 total revenue passengers passed through the Bozeman Yellowstone International Airport in June 2024, a gain of 15.0% compared to the same month last year.
 - Total revenue passengers are up 6.8% Year-To-Date (YTD) in 2024 compared to YTD 2023.
- Occupancy at Airbnb and Vrbo short term rentals in Big Sky grew from 59% in June 2023 to 61% in June 2024.
 - Average Daily Rate at those same properties increased by just \$2 YoY, rising from \$600 to \$602 in June 2024.
- Professionally managed short-term rentals reported no change in Occupancy Year-over-Year, with Occupancy remaining flat at 36% for the month.
 - However, Average Daily Rate showed healthy growth, rising from \$543 in June 2023 to \$601 in June 2024.
- Visa credit card spend in Big Sky decreased slightly in May of 2024, with almost \$1.9 million being spent by domestic visitors and residents in the month. International Visa card spend increased YoY, with \$40,569 being spent during the month of May 2024.
 - **Note: Visa has not yet reported June 2024 data.*

West Region Mountain Market Summary

- “With June in the rearview mirror, mountain destinations have the peak months of the summer season in the windshield, and the view from the driver’s seat is pretty good. Though consumer confidence remains unremarkable, at best, it’s also the reason behind the quality of that view.”
- “Room rates that came down in May have now settled into a range that’s clearly appealing to the still price-sensitive consumer, and bookings, though not as strong as last month, were reliable and widespread. In fact, the current state of the data is better than we’ve seen since reopening, with Supply and Demand both stable, rates gaining within a few basis points of inflation, and revenue capture not depending solely on rate, as it has for much of the past two years.”
- “And while the period immediately following reopening saw both Occupancy and ADR driving Revenue, we need to cast any reference to 2020 and 2021 aside. The current situation is more organic, as it is driving consumers with product and price, and not relying on the pend-up demand of a post-lockdown world.”
- “Missing from this rosy picture is a completely confident consumer, but as inflation and prices both came down in June and track towards the two percent goal, we can anticipate that the cost of living and pressure on prices will rise.”

U.S. MARKET REVIEW



The Dow Jones Industrial Average

- “The Dow Jones Industrial Average (DJIA) gained slightly in June, adding 1.1%, or 432.5 points to finish the month at 39,118.86 points. It's the second consecutive monthly gain and the eighth in the past year for the DJIA.”
- “The market was also relatively stable during the month, with small swings (11 days up and eight days down). Investors were relaxed, as relatively calm conditions dominated the economy last month and the relief about positive consumer price/inflation news from May carried forward.”
- “The DJIA is currently down -1.7% from its most recent monthly high of 39,807.4 in May, and 2.2% below the all-time daily close of 40,003.6 points on May 17. However, it is up an impressive 14.6% from June 2023 and an incredible 27.1%, or 8,343 points from two years ago at this time.”
- “While consumers have had, at best, a blase attitude about the economy for the better part of three years, strong financial markets are very likely contributing to consumers' intent to travel in the next six months.”

The Consumer Confidence and Consumer Sentiment Index

- “The Consumer Confidence Index (CCI) and the Consumer Sentiment Index (CSI) both dropped slightly in June. The Conference Board's CCI fell a scant 0.9%, or 0.9 points, from 101.3 points in May to 100.4 in June. It's the fourth dip so far in 2024 and the seventh in the last 12 months, leaving the index below its unremarkable 24-month average of 104.3 points.”
- “Consumers revealed mixed emotions in June, feeling better about their short-term prospects, but not as good about the longer-term job market and wages, with inflation playing a key role—as it has since late 2022. But in the positive column, more consumers intend to travel in the next six months than they did last year at this time, continuing a several-month trend.”
- “Meanwhile, the CSI from the University of Michigan also declined slightly and was also down 0.9 points in June, moving from 69.1 points to 68.2. Survey respondents also noted their concern about inflation, notably the long-term impact on their personal finances. Though down, the CSI is up 2.3 points from its also unremarkable long-term average of 65.9 points.”
- “On the cautionary side, while travel intentions remain up for consumers, until the CCI and CSI record consistently higher numbers, pricing power will remain in the hands of the consumer, as indicated by both May and June booking data.”

The National Unemployment Rate

- “The National Unemployment Rate increased for the 3rd consecutive month in June, gaining 0.1%, and is now at 4.1%, its highest level since November 2021 (4.2%). Meanwhile, job creation pulled back slightly from last month, but was still higher than expected, with 206,000 new positions added to payrolls, while April and May jobs were both adjusted down.”
- “This month's report has a few components that are getting analysts’ attention. First, the uptick in unemployment was unexpected, although the measure has been inching up since the 3.4% low in mid-2023. The second is a moderate slowdown in wage growth, which increased by 0.3% in June after a 4.1% gain in May. But while wages slowed a bit, when annualized they're up 3.9% YOY, ahead of the 3.0% national inflation rate and gaining on inflation for the 15th consecutive month.”
- “The dynamics of this jobs report support economic positions on both ends of the spectrum: on the one hand, robust job creation supports the argument that the economy is fundamentally strong, and interest rates can come down; on the other hand, three months of increasing unemployment and a softening of wages helps support the pundit position that the economy is not yet beyond recession.”

The National Inflation Rate

- “The National Inflation Rate declined for the third consecutive month in June in the most consequential CPI report this year. Inflation dropped from 3.3% in May to 3.0% in June, exceeding analysts’ expectations.”
- “But, while annual inflation is a key measure of economic health and drives policy decisions, month-over-month prices are the most impactful on consumers. Consumer prices came down over the last month, declining -0.1% from May, the first decline since November 2022.”
- “The 3.0% inflation rate is the lowest since June 2023 and is widespread, including such items as gasoline, electricity, fruits and vegetables, as well as cereals and cereal-based products.”
- “Of particular note is the relationship between inflation and earnings, with the gap between the two widening as wages are now ahead of inflation for the 15th consecutive month.”
- “A notable price decline for travel this month is air fares, down -5.0% in June from May, making accessing destinations more affordable. When combined with the moderated Average Daily Rate in many destinations, that will presumably give boost to summer business. Lower CPI and national inflation rate are key to the Federal Reserve Bank lowering interest rates, which will further open consumers’ wallets.”

Economic Flashpoints from Tourism Economics

- “The U.S. economy remains on solid footing. While recent economic data have come in weaker than expected, our leading indicators remain positive. We expect the economy to slow in the coming months but see no signals of a recession.”
- “A slowdown in inflation is back on track according to May readings. This is good news and could help reverse recent consumer sentiment declines driven by delayed interest rate cuts, slowing income growth and sustained higher prices. Still, the correlation between consumer sentiment and consumer spending has not been strong. Rather, spending largely depends on household balance sheets which remain solid for middle- and high-income homes.”

Travel Demand Update

- “Strong travel intentions, growth in outbound and continued recovery of inbound international travel are driving increased U.S. airport traffic. More than 360 million travelers passed through security checkpoints in U.S. airports from January through May—including more than 10 million during Memorial Day weekend. June is pacing 7% ahead of 2019 air passenger volumes.”
- “U.S. outbound travel registered 120% of 2019 levels as of May 2024 YTD (28.2 million persons), compared to inbound travel at 86% of 2019 levels (13.2 million persons YTD). Year-over-year growth in US outbound travel increased to 11% in May from 8% in April.”
- “Overseas inbound arrivals to the U.S. through May registered 14% below the same period in 2019, despite a 20% gain over the same period last year. Recovery has varied by region—the strongest rebound being from Central America with a 16% gain over the first five months of 2019.”

Travel Demand Update (continued)

- “While Asia lags in all major regions, visits to the U.S. from India present a bright spot. Visits from Asia rose 37% YTD through May but still registered 27% below the same period in 2019. Arrivals from India, however, surpassed 2019 levels last year and have risen 37% in 2024.”
- “The on-going recovery in international arrivals contributed to a \$561 million surplus in the travel and tourism balance of trade for April 2024. Total travel and tourism-related exports were 12.5% higher than April 2023 versus an 8.7% increase in imports.”
- “Hotel demand has experienced a modest recovery, most recently posting back-to-back gains with a rise of 2.0% in May after a 1.8% rise in April—an encouraging sign as the industry heads into the summer season.”

Short Term Rentals

- “June 2024 saw a 9.8% increase in Demand for short-term rentals, with Occupancy levels surpassing pre-pandemic 2019 levels for the first time this year.”
- “The number of Total Available Listings for June provided more evidence of slowing Supply. In May, available listings reached their previous peak, although a month later than usual. However, listings declined from 1.69 million in May to 1.68 million in June. This is the first decline since the pandemic outbreak, making May's total the all-time high.”
 - “However, Supply isn’t slowing at an equal rate across all locations. Urban areas are particularly affected by interest rates and increased regulatory scrutiny. As a result, urban locations have seen accelerating declines in Supply for the second month in a row, dropping to -4.6% in June from -2.2% in May.”
 - “On the other hand, small city and rural locations are still experiencing growth, although at a slightly slower rate than in May. These areas had the fastest-growing supply in June at 14.4%, compared to 16.4% in May.”
- “The combination of slowing Supply and strong Demand led to Occupancy increasing 2.2% over the previous year, up to 63.7% from 62.3% in June 2023. Occupancy was also slightly higher than the same month in 2019 (63.0%), making it the first month this year to surpass pre-pandemic levels.”

Short Term Rentals (continued)

- “Although year-to-date Occupancy has been lower than in 2023 for most of the year, June narrowed the gap to less than 0.1%, the smallest margin yet.”
- “ADR growth was initially a bright spot in otherwise lackluster unit-level performance. However, the past two months have seen a sharp drop in rate growth, turning negative (-1.1% year-over-year) in June.”
- “Booking lead times, or the number of days in advance that a reservation is made before a stay date, have been shortening post-pandemic. This suggests that the eventual Demand growth may slightly exceed our prediction by 1-2%, as was the case for June.”
- “August pacing remains very high due to both a relatively weak August in 2023 and a calendar shift that has moved many extended Labor Day plans from September to August. Labor Day-related demand growth in August may mean weaker demand growth in September. In fact, September’s demand pacing of +9.4% year-over-year (YOY) is considerably smaller than YOY demand growth for October (14.4%).”
- **Key U.S. Short Term Rental Performance Metrics for June 2024**
 - Available listings were 1.68 million, up 5.7% YOY and Total Demand (nights) rose 9.8% YOY
 - Occupancy was 2.2% higher YOY at 63.7%
 - Average Daily Rates (ADR) decreased 1.1% YOY to \$318.65
 - Revenue per Available Rental (RevPAR) increased 1.2% year-over-year (YOY) to \$203.05

AIRPORT DATA



BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT NON-STOP DESTINATIONS

VISIT BIG SKY
^ MONTANA ^



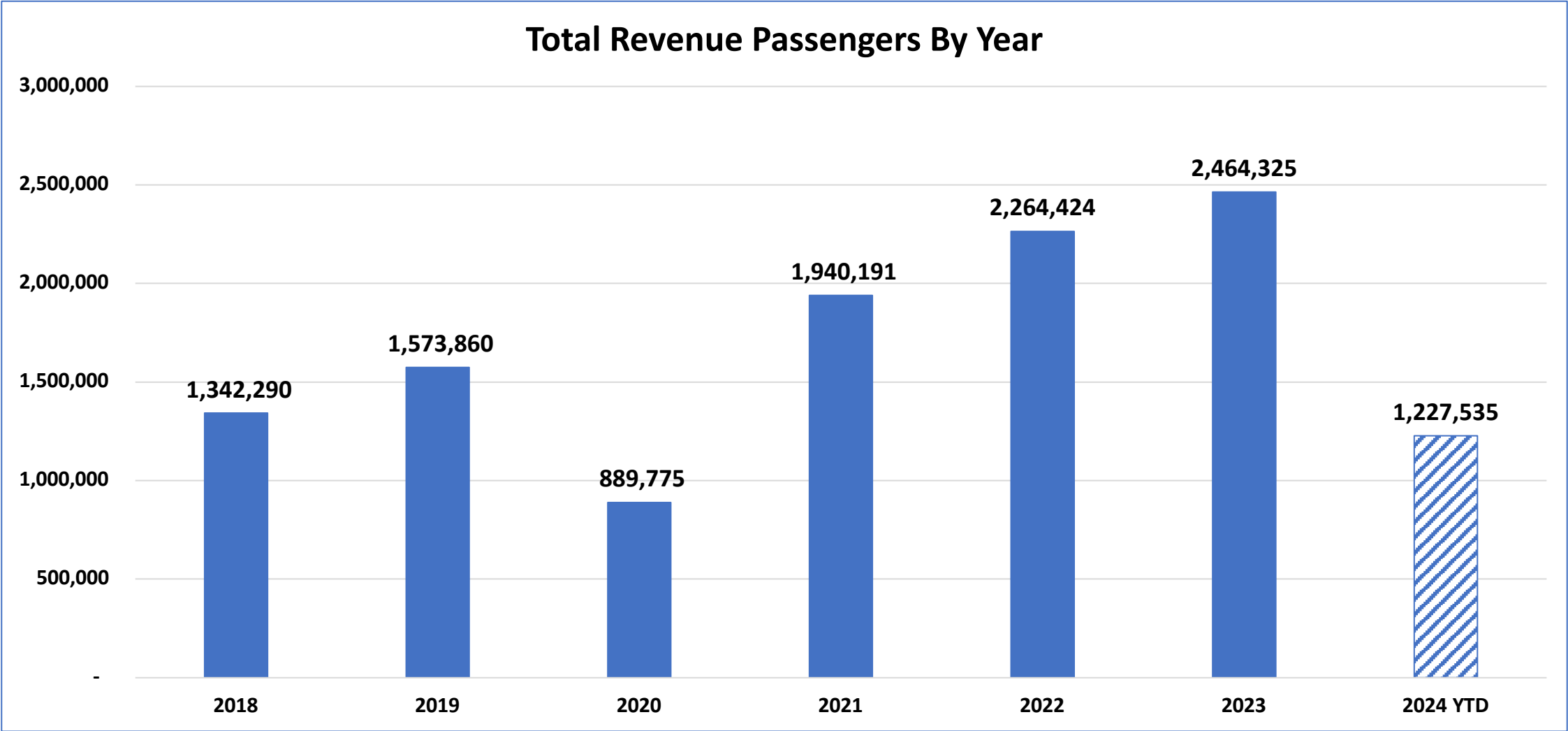
BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT - TOTAL PASSENGERS YEAR-TO-DATE



Total Revenue Passengers					
Month	2024	2023	% Change vs. 2023	2022	% Change vs. 2022
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		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	1,227,535	1,149,038	6.8%	1,074,941	14.2%
Total		2,464,325		2,264,424	

Source: Bozeman Yellowstone International Airport

BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT - YEARLY TOTAL PASSENGERS



(Jan-June 2024)

AIRDNA DATA



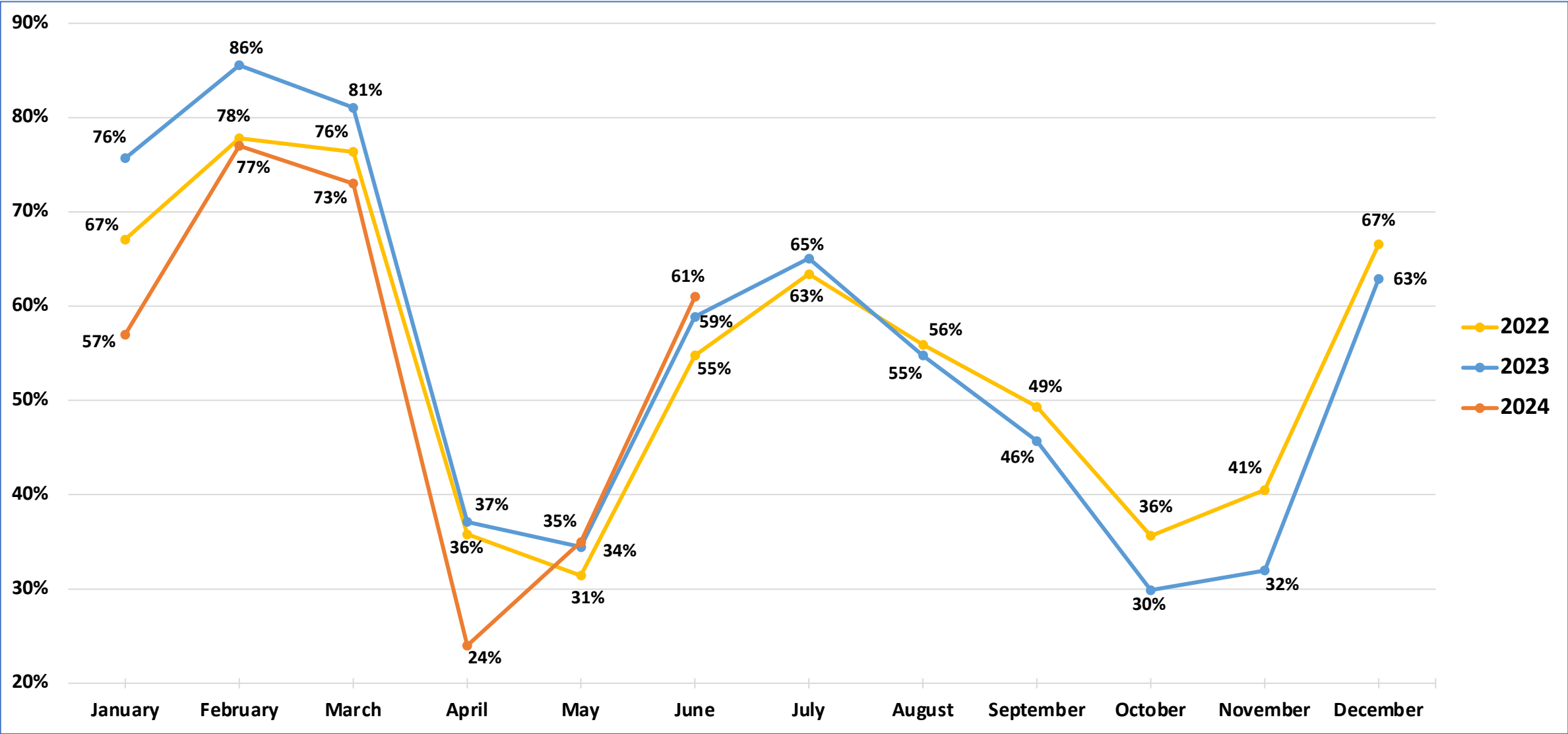
AIRDNA SHORT TERM RENTAL (INCLUDES AIRBNB & VRBO LISTINGS) DEFINITIONS



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 ($ADR = \text{Total Revenue} / \text{Booked Nights}$).
- **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** – $\text{Occupancy Rate} = \text{Total Booked Days} / (\text{Total Booked Days} + \text{Total Available Days})$. 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** – $\text{Revenue Per Available Rental} = ADR * \text{Occupancy Rate}$
- **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.

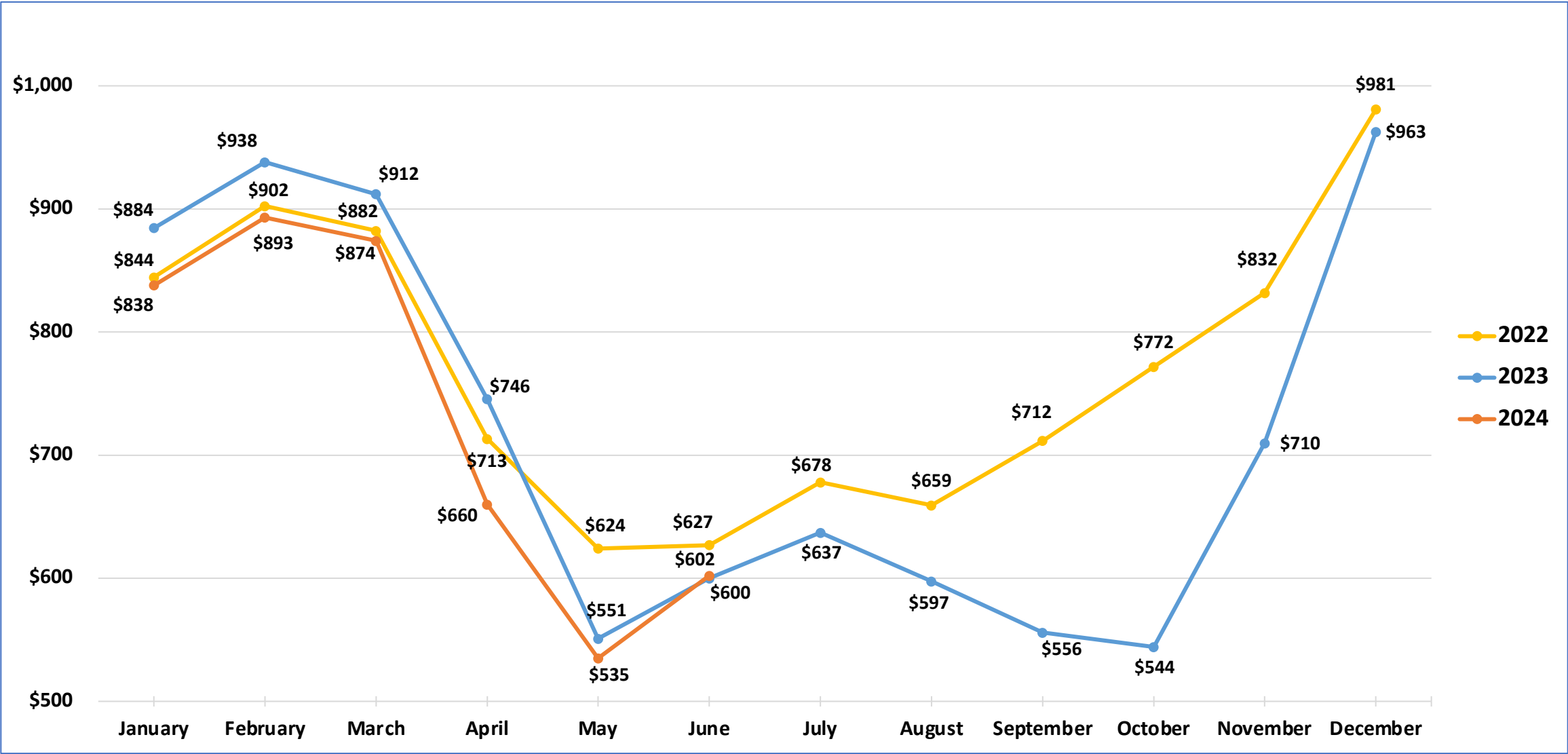
AIRDNA – OCCUPANCY (%) BY MONTH



Source: AirDNA (Includes Airbnb and Vrbo data)

AIRDNA – AVERAGE DAILY RATE (\$) BY MONTH

VISIT BIG SKY
^ MONTANA ^



Source: AirDNA (Includes Airbnb and Vrbo data)

KEY DATA DATA



KEY DATA DIRECT SOURCE LODGING PARTNERS

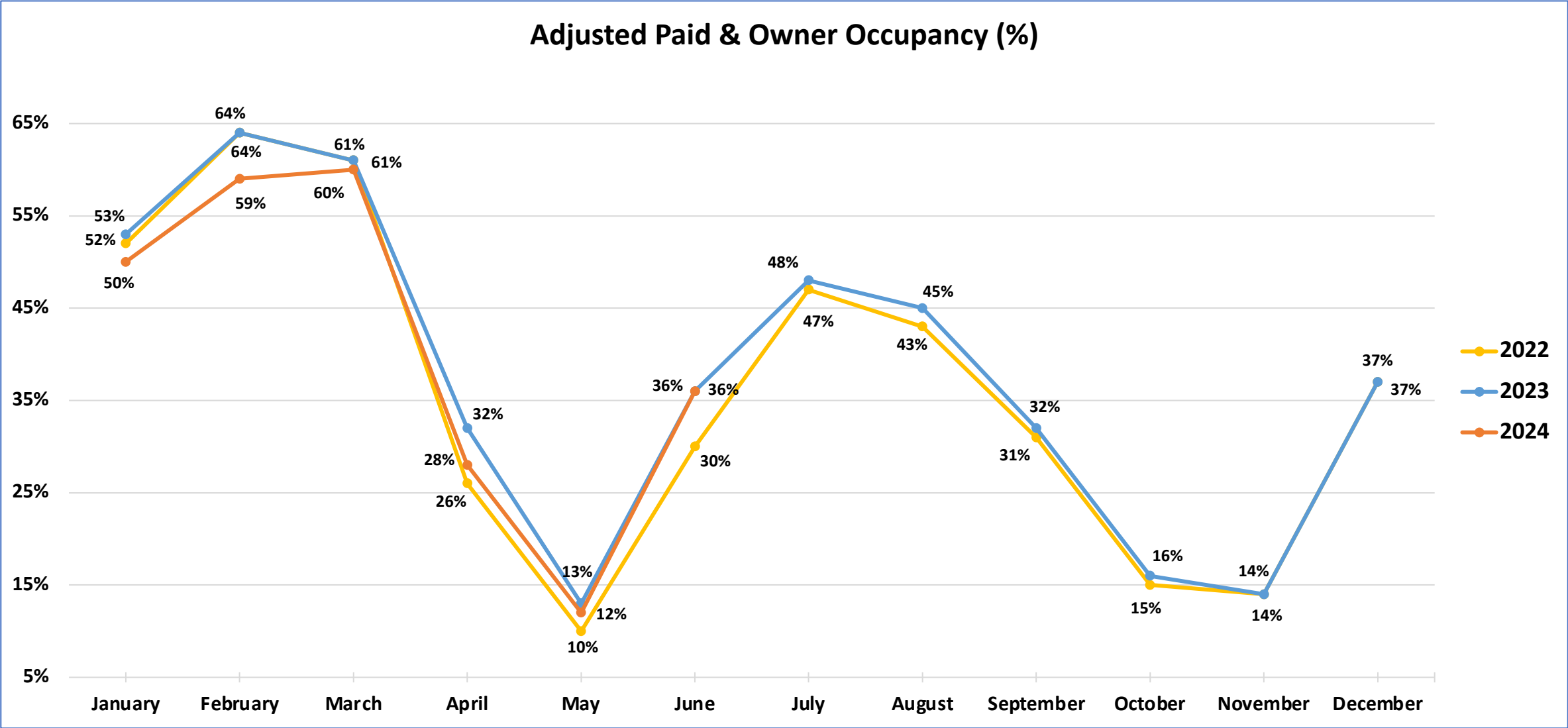


- Key Data currently partners with 12 Big Sky property management companies and hotels.
 - In total, this represents ~1,439 rental units in the Big Sky area.
 - All figures in the following slides are taken exclusively from the following 12 property management companies and hotels:
 - Big Sky Luxury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

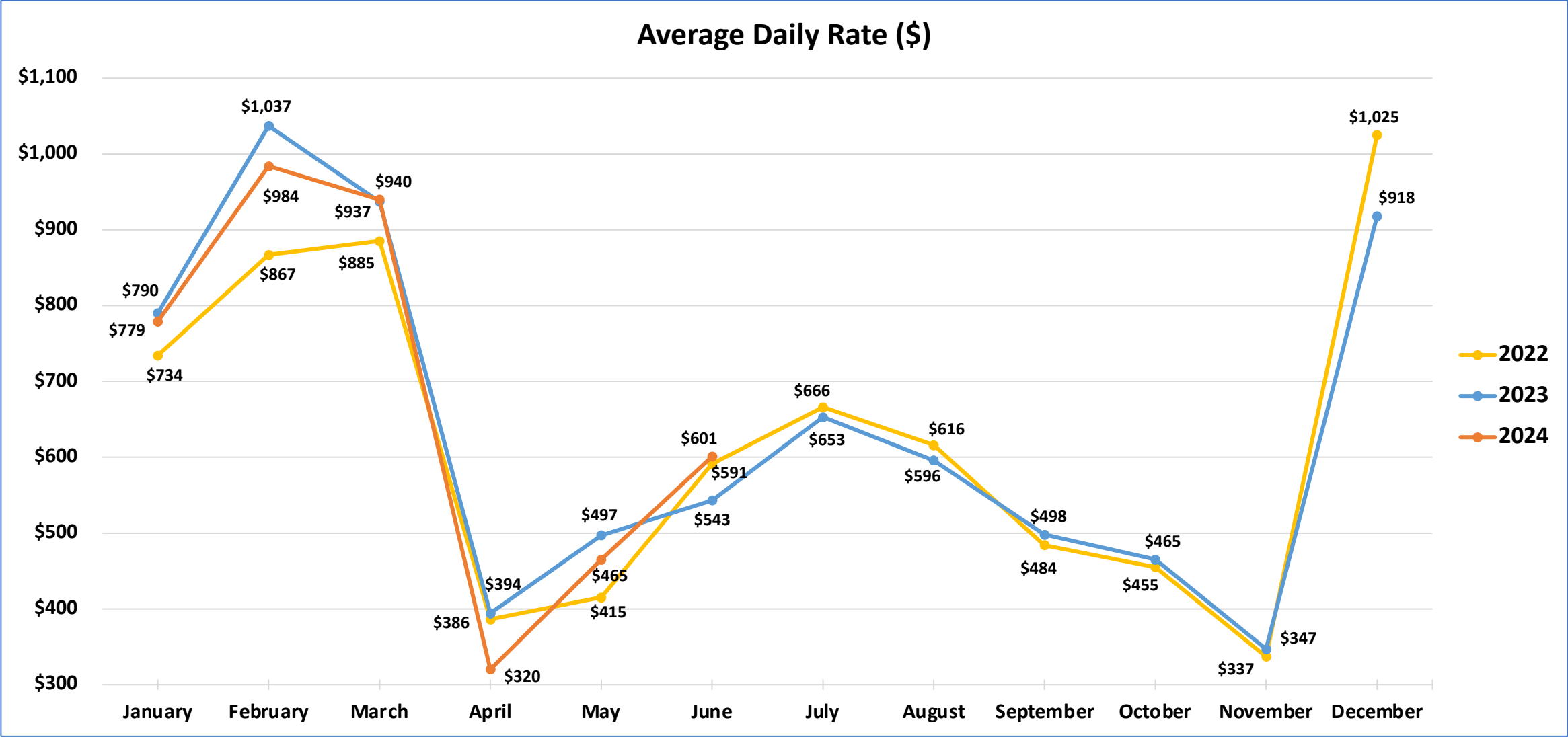
KEY DATA DIRECT SOURCE DEFINITIONS

- **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

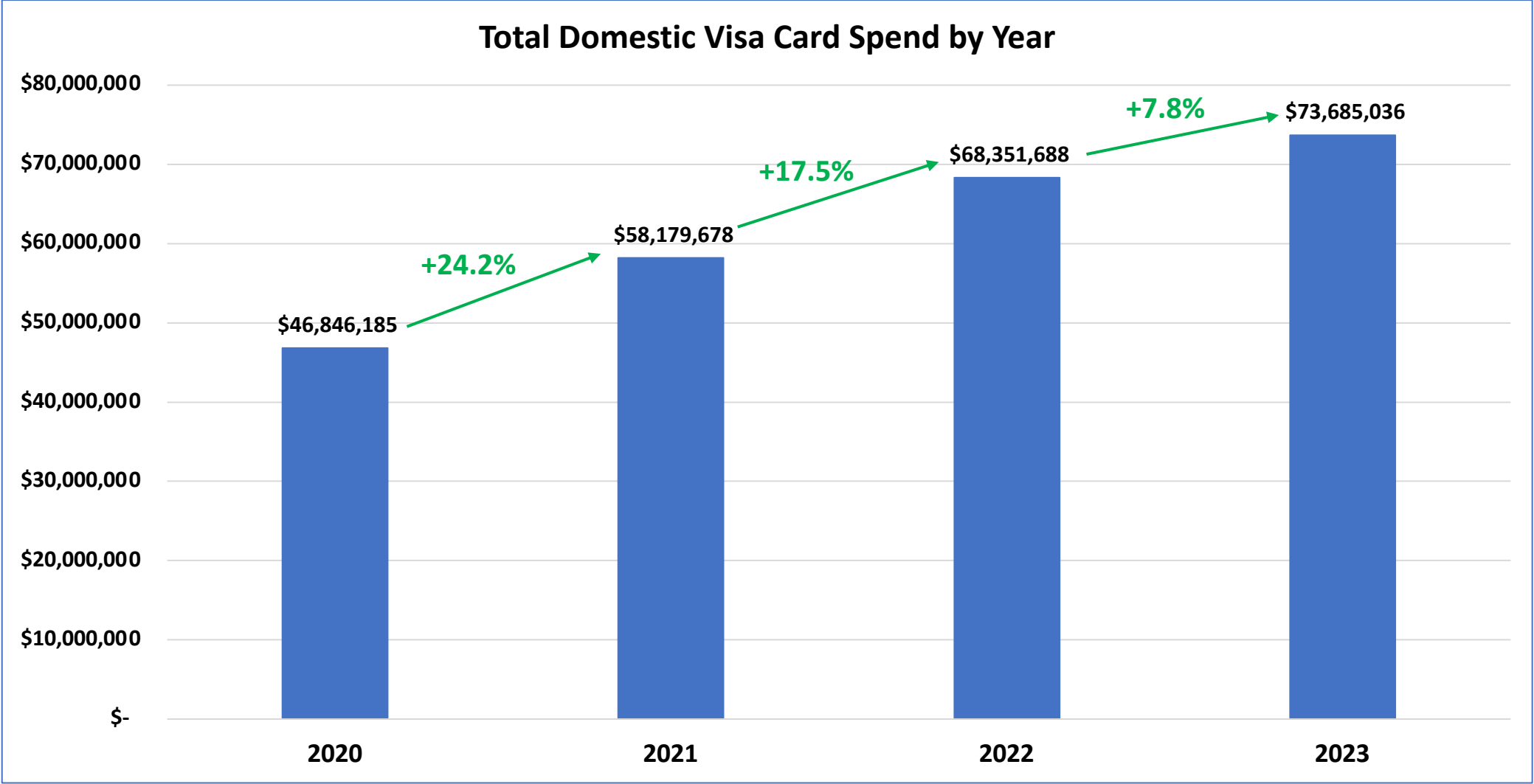


VISA DESTINATION INSIGHTS

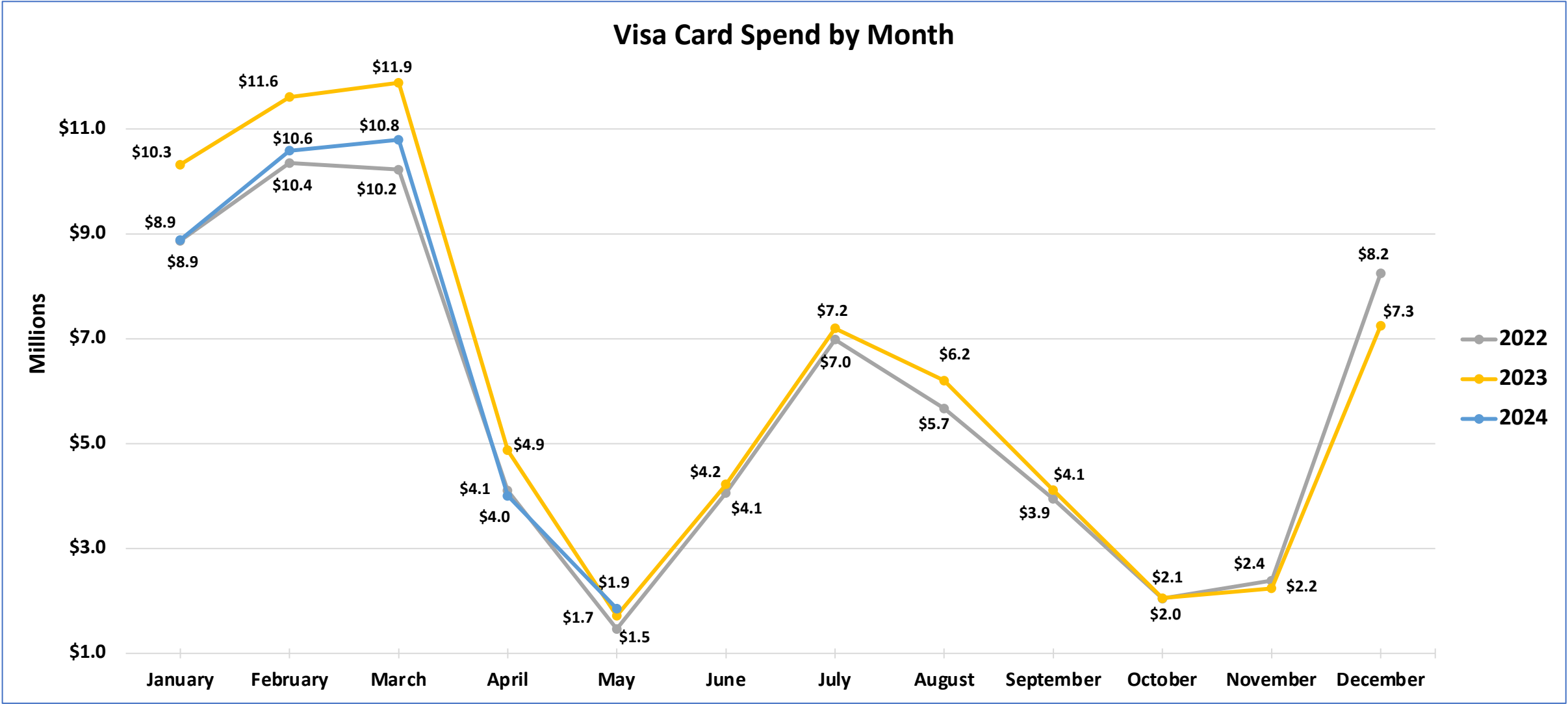


VISA VUE – TOTAL DOMESTIC VISA CARD SPEND

DATA BY YEAR

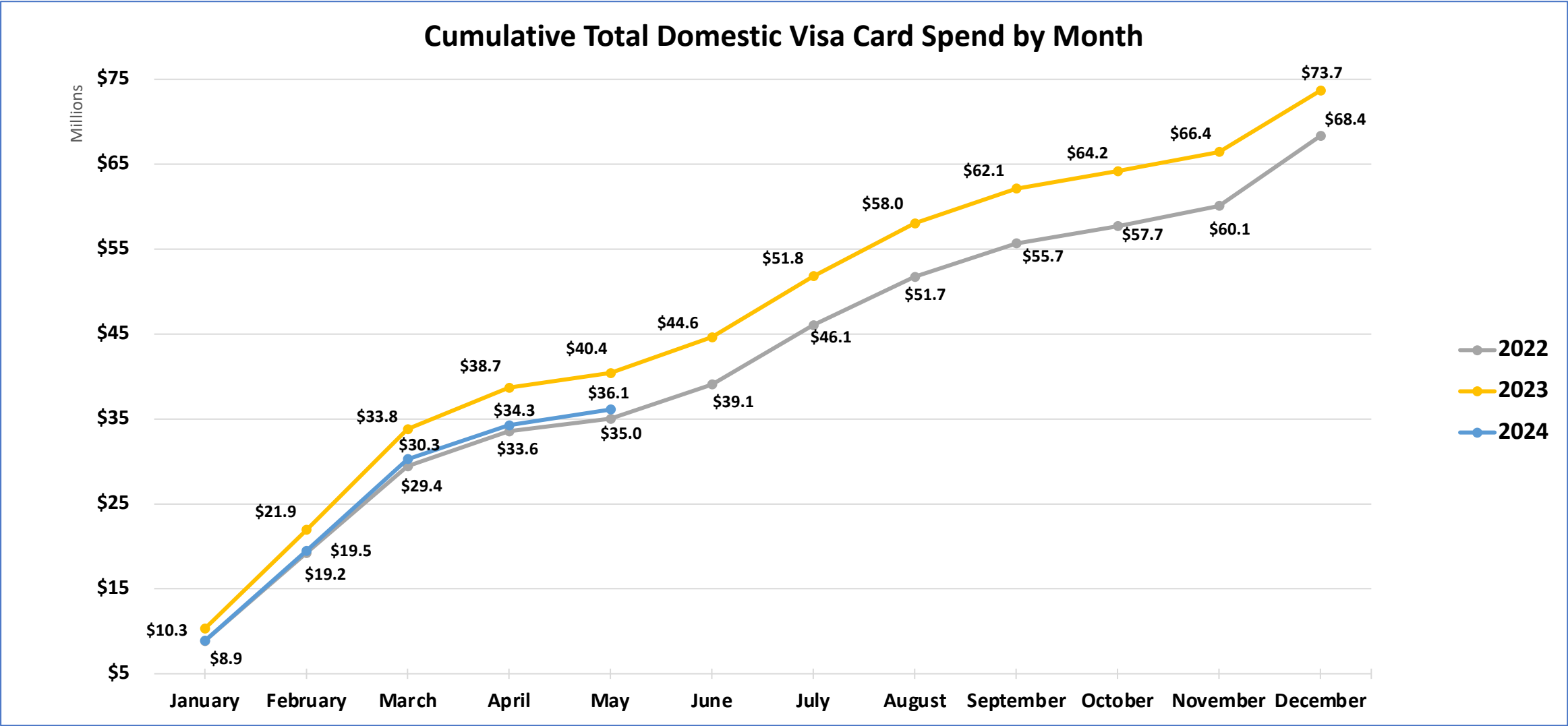


VISA VUE – TOTAL DOMESTIC VISA CARD SPEND DATA (Spend by Month)



VISA VUE – TOTAL DOMESTIC VISA CARD SPEND

DATA (Cumulative Spend by Month)



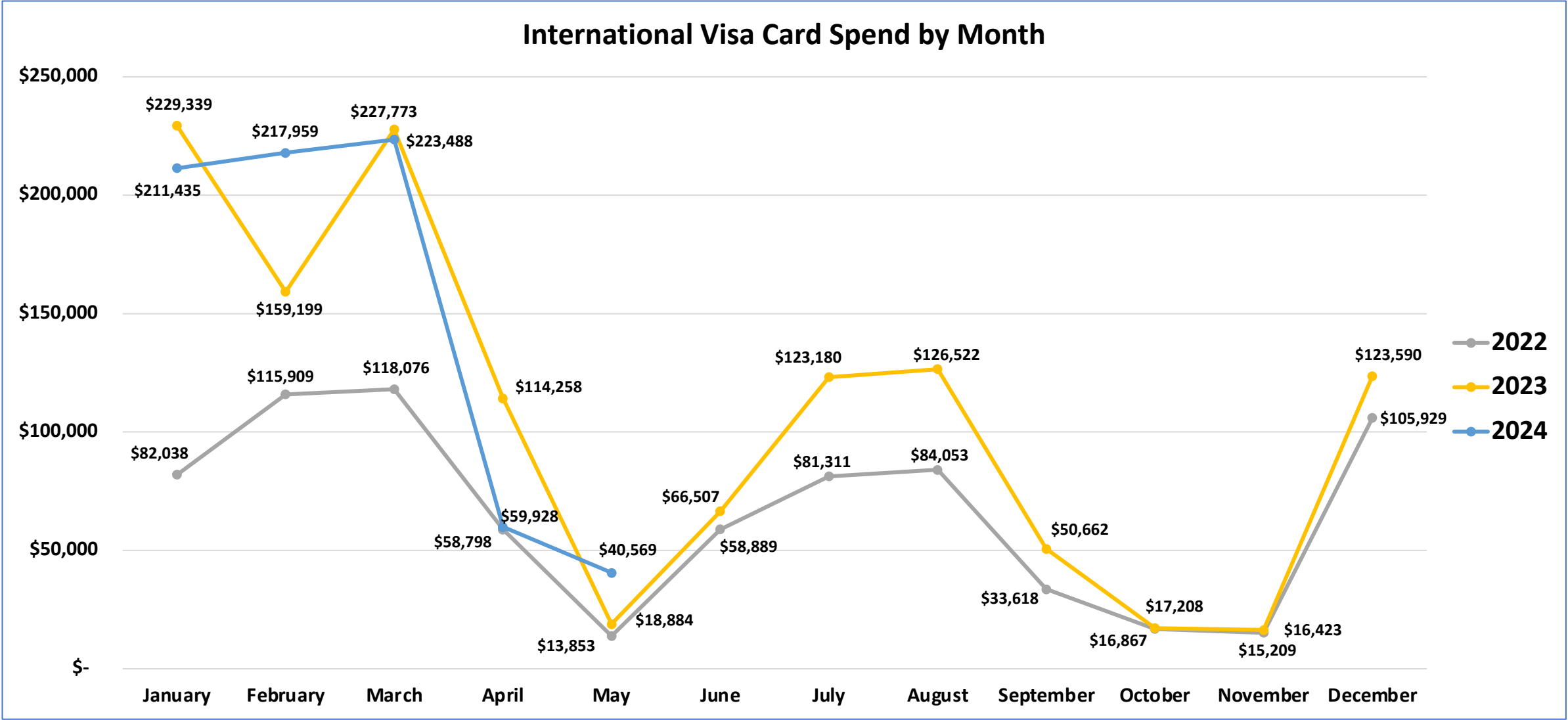
VISA VUE – 2024 YEAR-TO-DATE VISA CARD SPEND

DATA - Spend by Market 2024 YTD (January-May)



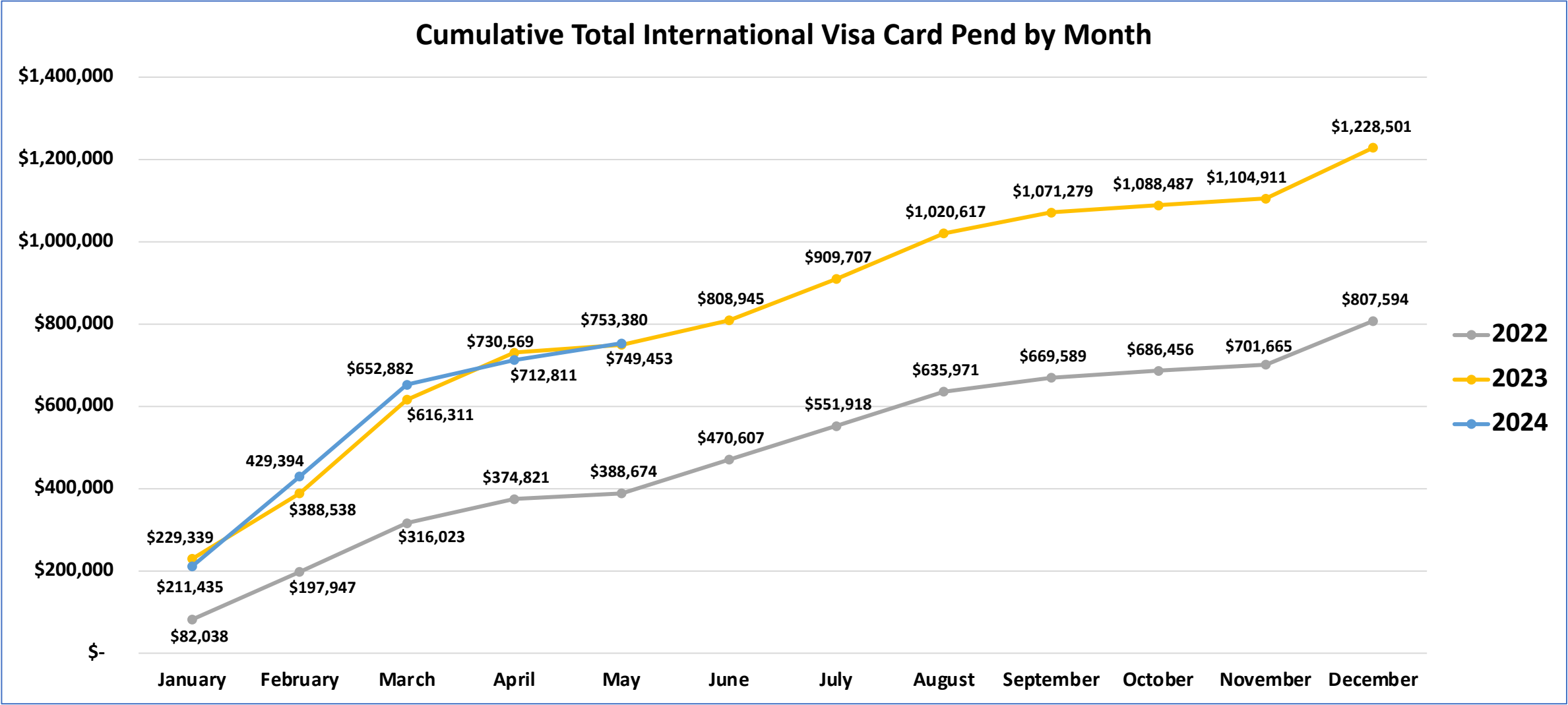
Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Bozeman, MT	\$10,503,140	-7%	29,882	-6%
2	New York-Newark-Jersey City, NY-NJ-PA	\$2,013,901	-5%	6,175	+3%
3	Chicago-Naperville-Elgin, IL-IN-WI	\$1,291,777	-1%	3,389	-2%
4	Los Angeles-Long Beach-Anaheim, CA	\$1,185,709	-14%	4,013	-2%
5	Boston-Cambridge-Newton, MA-NH	\$821,291	-16%	2,550	-14%
6	Seattle-Tacoma-Bellevue, WA	\$804,510	-22%	3,385	-13%
7	San Francisco-Oakland-Berkeley, CA	\$784,202	-3%	2,644	-6%
8	Denver-Aurora-Lakewood, CO	\$657,087	-18%	3,391	-16%
9	Minneapolis-St. Paul-Bloomington, MN-WI	\$634,027	-13%	4,350	+56%
10	Washington-Arlington-Alexandria, DC-VA-MD	\$618,117	-12%	1,829	+2%

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-May)



Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Canada	\$309,698	+7%	1,046	+14%
2	Australia	\$101,239	-19%	231	-3%
3	United Kingdom	\$44,488	+3%	148	+25%
4	Mexico	\$38,113	-2%	102	+20%
5	Germany	\$29,827	+11%	58	+18%
6	New Zealand	\$24,768	-24%	72	-23%
7	Puerto Rico	\$18,367	-25%	22	-57%
8	Brazil	\$16,092	+90%	35	+52%
9	Switzerland	\$10,124	+39%	25	+47%
10	Dominican Republic	\$10,010	N/A	12	N/A

**CONSUMER
SENTIMENT DATA**

**LONGWOODS
INTERNATIONAL**

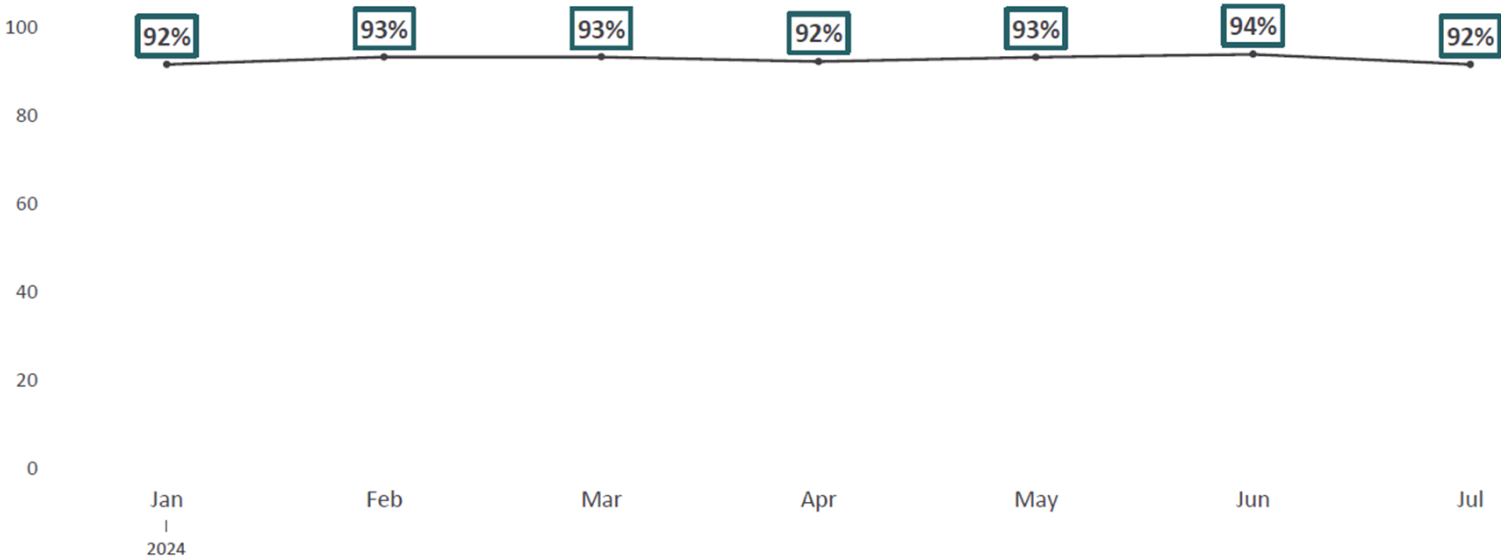


TRAVEL SENTIMENT STUDY WAVE 87

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

IMPACT ON TRAVEL PLANS

Travelers with Travel Plans in the Next Six Months Comparison



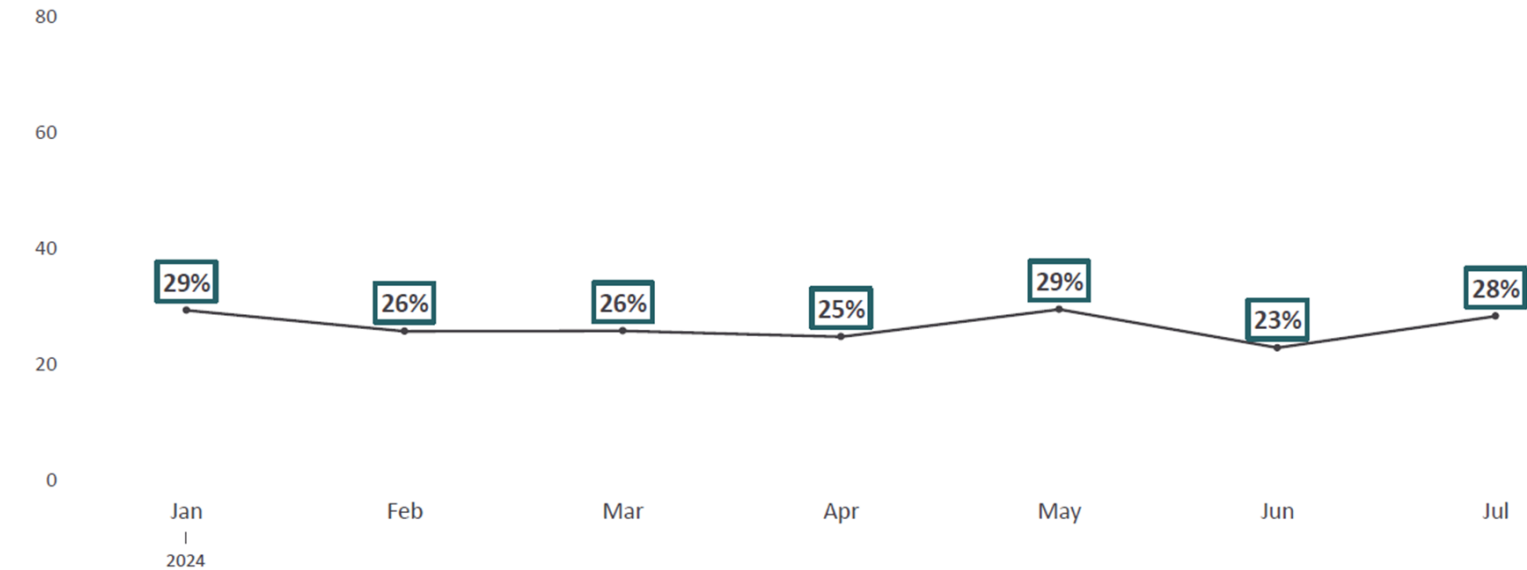
American Travel Sentiment Study: Wave 87

TRAVEL SENTIMENT STUDY WAVE 87

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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



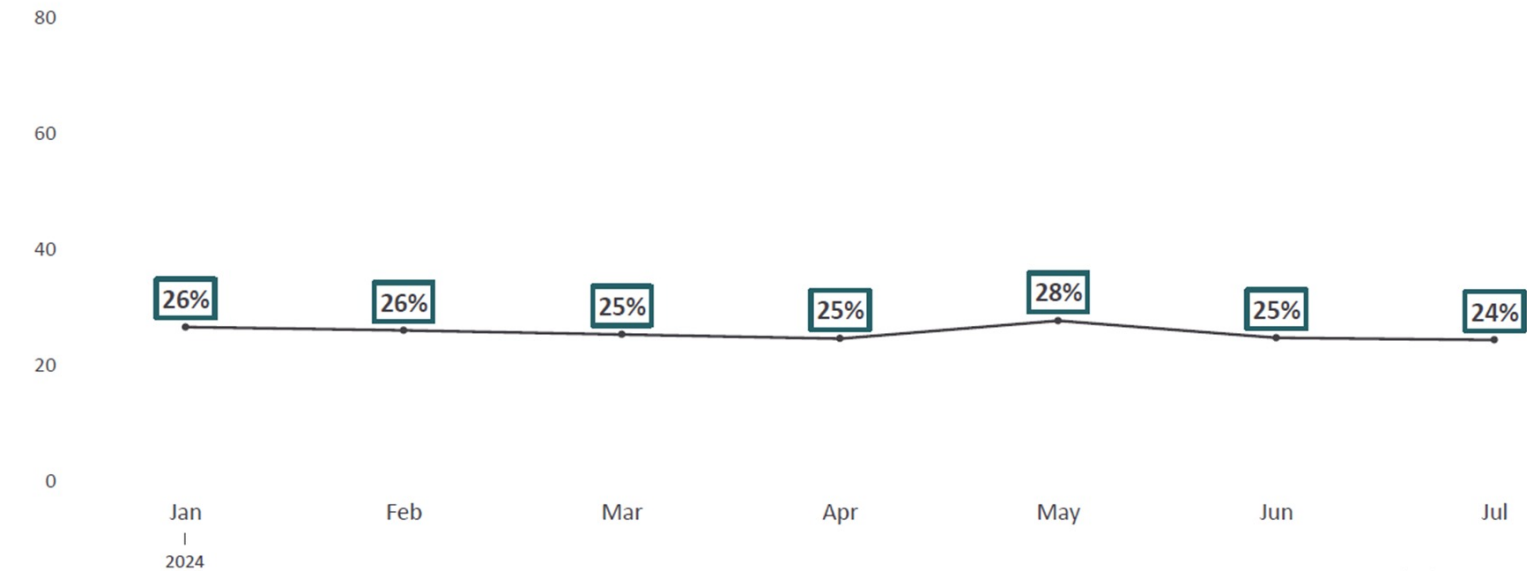
American Travel Sentiment Study: Wave 87

TRAVEL SENTIMENT STUDY WAVE 87

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IMPACT ON TRAVEL PLANS

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



American Travel Sentiment Study: Wave 87

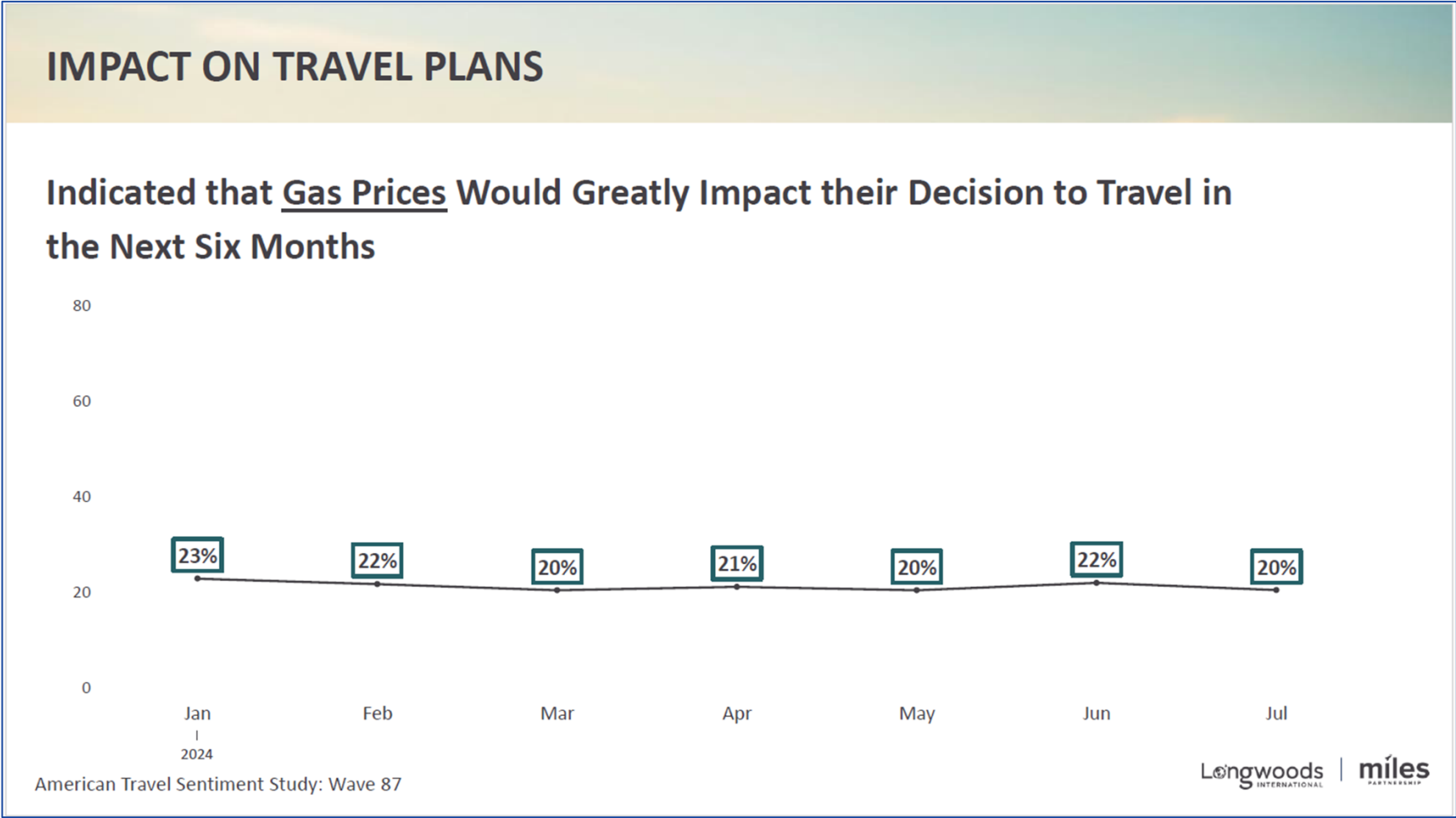
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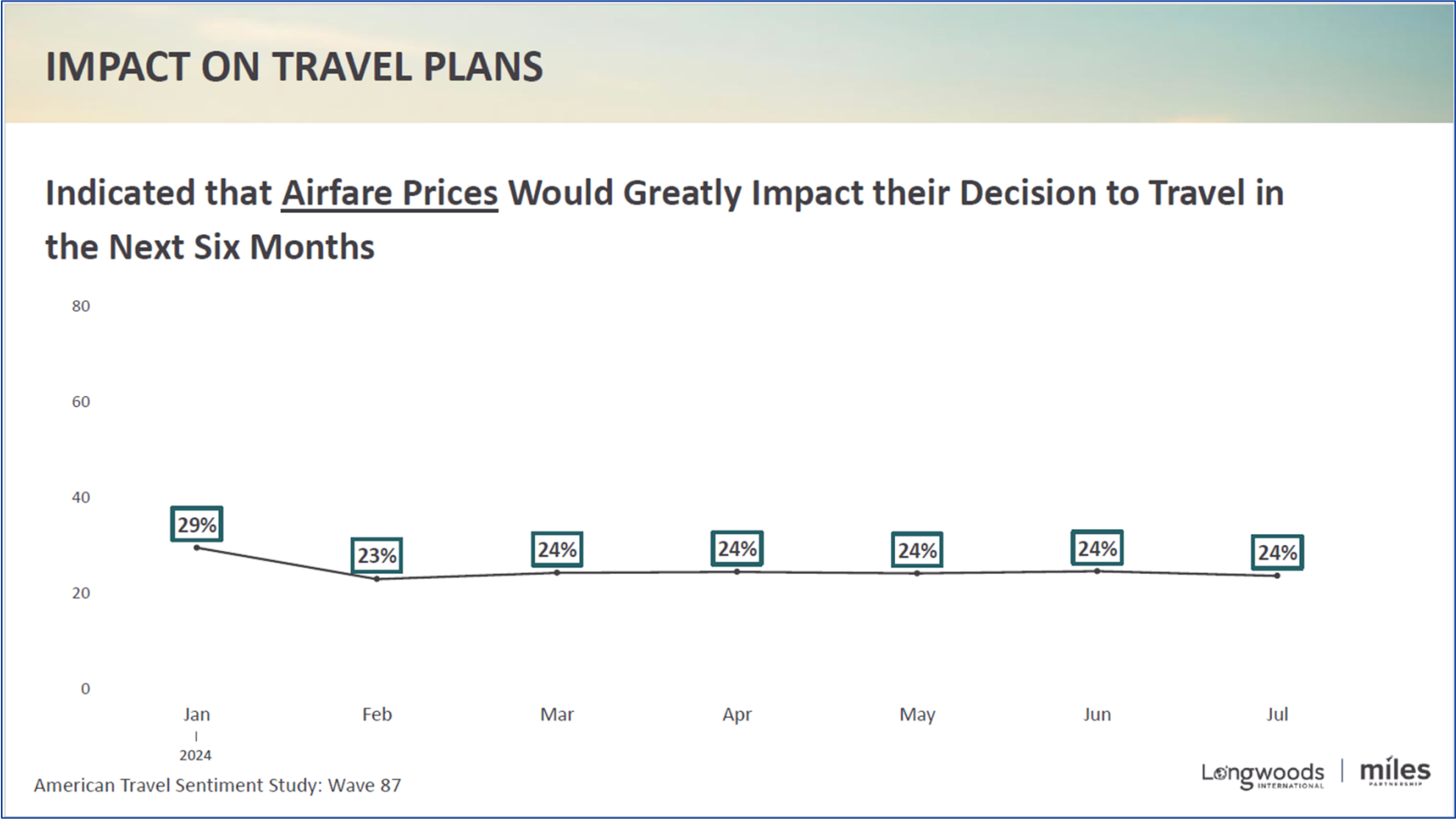
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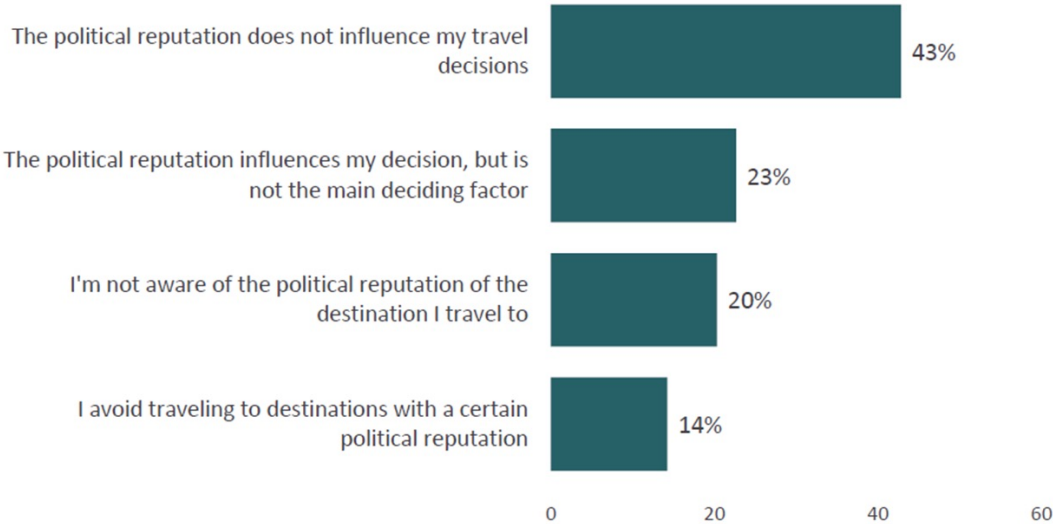


TRAVEL SENTIMENT STUDY WAVE 87

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

IMPACT ON TRAVEL PLANS

How does the political reputation of a destination (e.g., traditionally a blue/Democratic or red/Republican) influence your decision to travel there?



American Travel Sentiment Study: Wave 87

VISIT
BIG SKY
BIG SKY  **CHAMBER**

 **BLUE ROOM**
RESEARCH