



RESEARCH UPDATE

**OCTOBER 2024
REVIEW**

Big Sky Travel & Tourism Trends

- 189,550 total revenue passengers passed through the Bozeman Yellowstone International Airport in October 2024, a gain of 2.1% compared to the same month last year.
 - Total revenue passengers are up 7.8% Year-To-Date (YTD) in 2024 compared to YTD 2023.
- Average Occupancy at Airbnb and Vrbo short term rentals in Big Sky slid from 28% in October 2023 to 27% in October 2024.
 - Average Daily Rate at those same properties also declined, slipping from \$503 in October of last year to \$486 this year.
- Professionally managed short-term rentals also reported a drop in Occupancy Year-over-Year (YoY), with Occupancy dropping from 16% last October to 11% this October.
 - Average Daily Rate also deteriorated significantly, falling from \$419 in October 2023 to \$265 in October 2024.
- Visa credit card spend in Big Sky was flat YoY in September of 2024, with more than \$4.1 million being spent by domestic visitors and residents on Visa cards in the month.
 - International Visa card spend increased YoY, with \$86,644 being spent by international visitors on Visa cards during the month of September 2024.

West Region Mountain Market Summary

- “Summer season is truly in the books. And while we’ve known since the end of July that it would be a win, it’s nice to seal the deal, with moderate rate and occupancy driving relatively strong revenue gains compared to last year.”
- “Unfortunately, there’s no such joy on the books for winter, at least not yet. With all six months of the upcoming 2024/25 season now in our windshield, the view remains mostly unchanged and largely uninspiring with occupancy down, rates up, and revenue all but flat.”
- “And while negative, things are a bit better than they were last month, but not enough to jump up and down about. As we’ve pointed out for almost two years, consumers aren’t really playing ball, despite an economy that’s firing on all cylinders. But their mood improved over last month so that hesitancy may be clearing up a bit.”
- “Then there’s the quadrennial factor of a presidential election, now in the books, but very much in play in October as it is every four years. Typically, it suppresses bookings in the short-term but is mostly no longer a factor almost immediately after it’s over. Toss in more than a dash of school break changes and you have the recipe for a complicated season.”

U.S. MARKET REVIEW

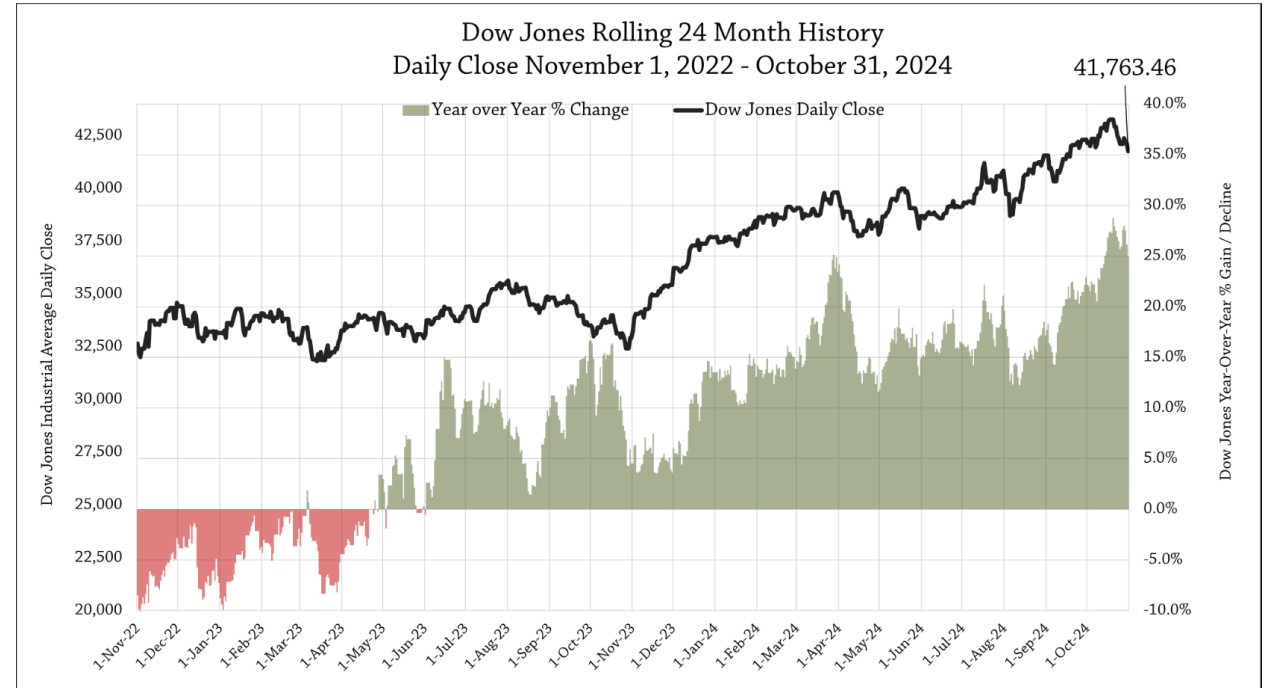
VISIT BIG SKY
^ MONTANA ^



U.S. MARKET REVIEW

The Dow Jones Industrial Average

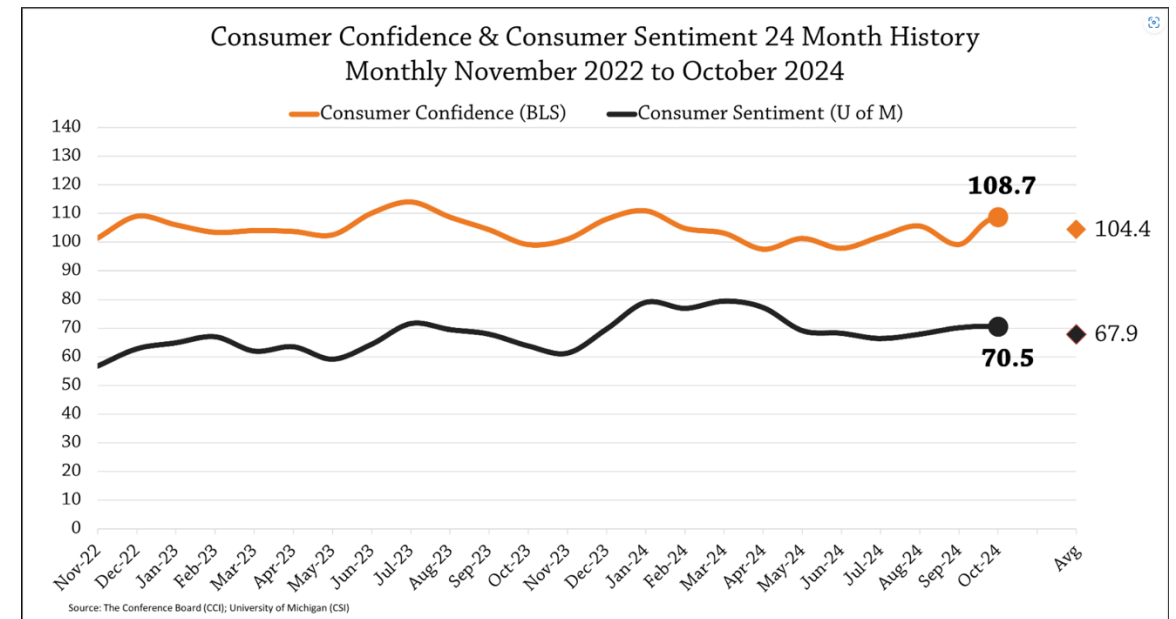
- “The DJIA varied widely during the month, with the result an overall -1.3 percent decline, or 566.7 points, finishing the month at 41,763.46. This is the first monthly decline in the DJIA since April and only the second of 2024.”
- “Markets reacted to a slowdown in tech earning in the second half of the month, prompting a selloff despite otherwise very strong economic data.”
- “Even with the end of month selloff, markets closed above 40,000 for the fourth consecutive month and are a massive 26.8 percent – or 8,834 points – higher than they were at this time last year.”



U.S. MARKET REVIEW

The Consumer Confidence Index & Consumer Sentiment Index

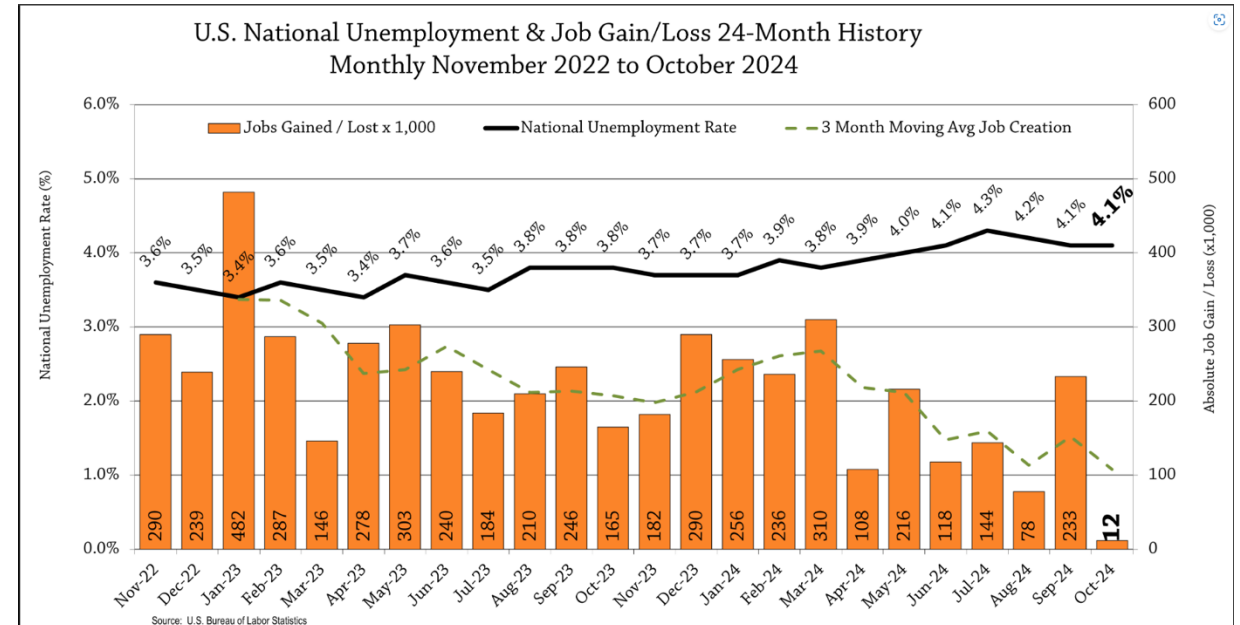
- “The CCI and CSI both increased in October, with one metric moving considerably higher while the other was up just slightly. The CCI was adjusted upward slightly for September to 99.2 points, but jumped in October, gaining 9.6 percent, or 9.5 points, to wrap up the month at 108.7 points.”
- “The University of Michigan’s CSI was largely unchanged, adding just 0.4 points to clock in at 70.5 points for the month. Like the CCI, respondents to the CSI survey were largely content with labor and earnings potential, but wary of ongoing high prices.”
- “Specific to travel, consumers’ intent to stay in hotels and dine out popped up in October, perhaps helping set the stage for the next phase of winter bookings as snow starts falling.”



U.S. MARKET REVIEW

The National Unemployment Rate

- “Unemployment and Jobs took a step back in October with employers adding a meager 12,000 jobs during the month while the unemployment rate remained unchanged at 4.1 percent. This is the fewest jobs added to payrolls since December 2020, and both August and September were revised downward.”
- “Hurricanes Helene and Milton both had a significant impact on employment across the Southeast, as did 33,000 striking workers at Boeing in the Pacific Northwest.”
- “Wages remained resilient during the month, up 0.4 percent from last month and 4.0 percent year-over-year, well ahead of any anticipated inflation reading.”



Key Takeaways from CBRE's National Hotel Outlook

- “CBRE forecasts full-year 2024 revenue per available room (RevPAR) growth of 0.5%, down from 1.2% previously. This negative revision is attributed to the softer than expected RevPAR in over the summer months as Americans traveled overseas to markets like Europe in record numbers, and the protracted recovery in inbound international visitation led to an imbalance in leisure demand patterns.”
- “In Q3 2024, RevPAR decreased 0.2% to \$106.56. A modest 0.6% increase in average daily rate (ADR) was more than offset by a 0.8% decrease in occupancy resulting in a 0.2% decline in RevPAR. Urban locations outperformed during the quarter, and we expect improvements in group and business travel, along with the continued recovery in inbound international travel to support additional growth.”
- “With the reduced outlook for 2024 RevPAR growth, CBRE now expects nominal RevPAR of \$99.92, or 113.8% of 2019's pre-pandemic level. This RevPAR outlook is predicated on 0.7% ADR growth and a 0.2 percentage point decrease in occupancy year-over-year. We expect RevPAR growth of 1.7% in 2025.”
- “CBRE's Baseline forecast anticipates GDP growth of 2.6% and average inflation of 2.9% in 2024, up 30 basis points (bps) for GDP and down 20 bps for inflation, compared to our previous forecast in August. CBRE projects a slowdown in GDP in 2025 when its forecast calls for 1.7% growth, below the 2.1% long term average.”

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

- “As a result of the strong correlation between GDP and RevPAR growth, changes in the economic outlook will directly impact lodging industry performance. Given today’s heightened geopolitical risks and the election related transitions, we encourage all clients to carefully review and probability weight all four economic scenarios pursuant to their risk tolerance and stance on the macroeconomic environment.”
- “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. However, should top line fundamentals continue to disappoint, supply growth may moderate further as the market works to bring supply and demand back into alignment.”

Short Term Rentals

- “After record-breaking performance in 2021 as Covid restrictions eased, unit-level metrics—especially occupancy—have been declining for two years. This year, however, tells a different story.”
- “Supply growth has slowed, driven by high home prices and mortgage rates, while demand growth has rebounded. October’s data now shows 2024’s year-to-date occupancy nearly matching 2023’s, and with two months of positive pacing ahead, a slight annual increase in occupancy looks likely.”
- “September saw the lowest growth in available listings since the onset of the pandemic, and October wasn’t far behind, recording the second-lowest growth rate. With high interest rates slowing the housing market to a near standstill, the rapid supply expansion of 2022 has cooled.”
- “While supply growth appeared to pick up slightly in August, this was likely due to a calendar shift for Labor Day, which moved some seasonal listings from September into August. This same shift contributed to September’s particularly low growth rate. However, October’s similarly sluggish performance points to a broader, long-term trend of slowing supply growth that has persisted for nearly two years.”

Short Term Rentals (continued)

- “Large declines in new listings have been a key driver of the slowing supply growth in 2024. In 2023, a notable surge in new listings during late summer and early autumn briefly reignited supply growth from August through November. In fact, new listings in 2023 surpassed those in 2022 in seven out of twelve months. However, this year, that surge never arrived. For the past eight months, new supply has consistently fallen below 2023 levels—often significantly so.”
- “While supply growth has steadily slowed, demand in 2024 has made a notable comeback. October demand grew 7.5% year-over-year (YOY), a significant jump from September's 2.2% growth. Keep in mind, though, that September's growth was dampened by the earlier-mentioned calendar shift.”
- “Bookings rose even higher, surging by 12.4%. This reflects not only immediate demand but also advance bookings for the holiday season.”
- “The combination of slowing supply and rebounding demand is driving positive occupancy trends. Year-to-date (YTD) occupancy has fluctuated between slightly below and slightly above 2023 levels throughout the year, influenced by unsteady early performance and calendar shifts.”

Short Term Rentals (continued)

- “However, October delivered excellent results, with occupancy rising 2.9% YoY and surpassing pre-pandemic 2019 levels for the second time this year (the first being in June). This performance tied YTD 2024 occupancy with the first ten months of 2023. AirDNA forecasts that by the end of the year, occupancy in 2024 will edge out 2023 by 0.1%, a target that now feels well within reach.”

Key U.S. Short Term Rental Performance Metrics for October 2024

- Occupancy was 2.9% higher YoY at 53.2%
- Average Daily Rates (ADR) increased 5.6% YOY to \$289.55
- Revenue per Available Rental (RevPAR) increased 8.5% year-over-year (YoY) to \$153.97.
- Total Demand (nights) rose 7.5% YoY
- Available listings were 1.71 million, up 4.4% YoY
- Nights booked increased by 2.9% YoY

AIRPORT DATA



BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT NON-STOP DESTINATIONS

VISIT BIG SKY
^ MONTANA ^



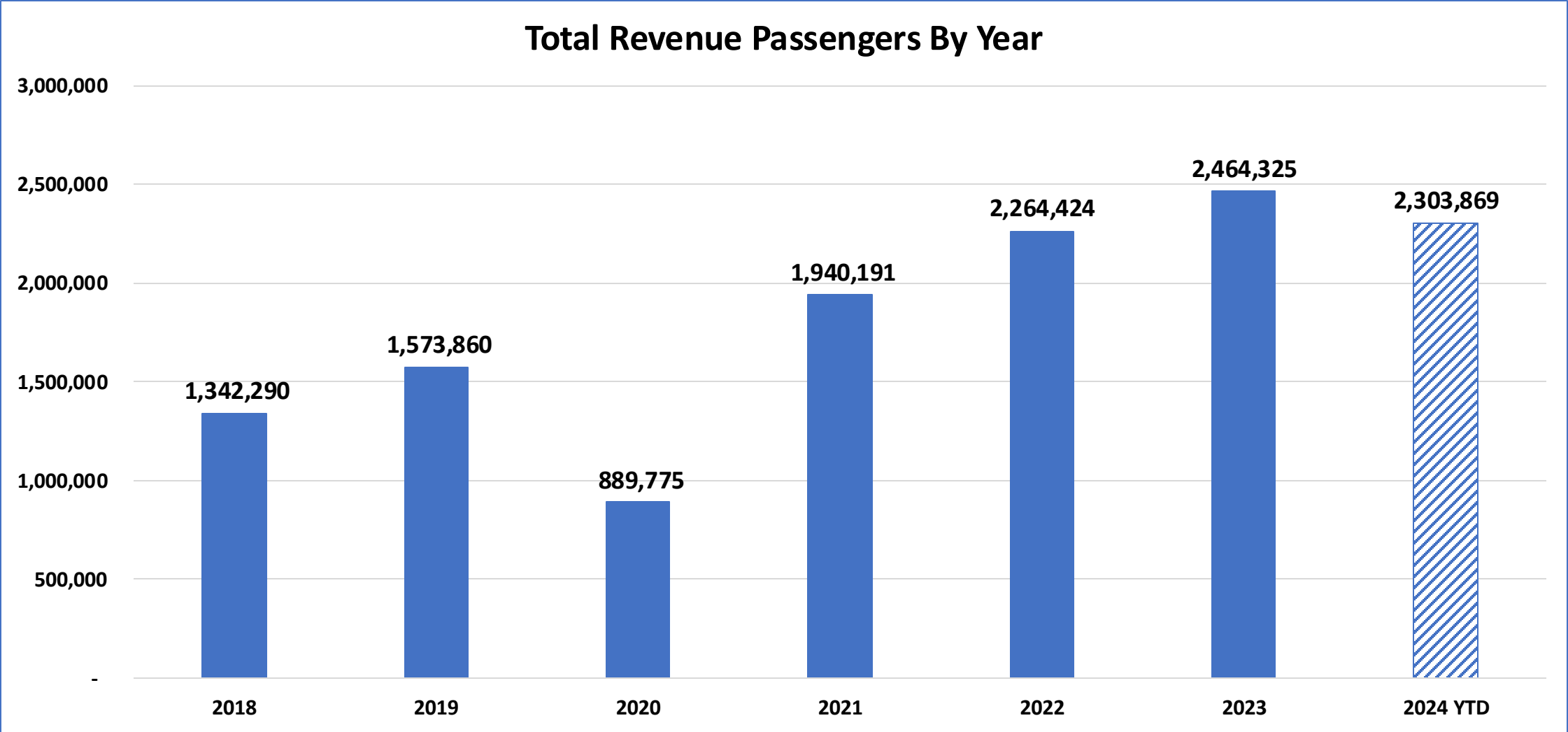
Source: Bozeman Yellowstone International Airport

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	314,279	281,444	11.7%	254,445	23.5%
September	249,773	234,589	6.5%	203,844	22.5%
October	189,550	185,605	2.1%	167,851	12.9%
November		142,205		132,939	
December		185,281		174,170	
Year-to-Date	2,303,869	2,136,839	7.8%	1,957,315	17.7%
Total		2,464,325		2,264,424	

BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT - YEARLY TOTAL PASSENGERS



(Jan-Oct 2024)

AIRDNA DATA

VISIT BIG SKY
^ MONTANA ^



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

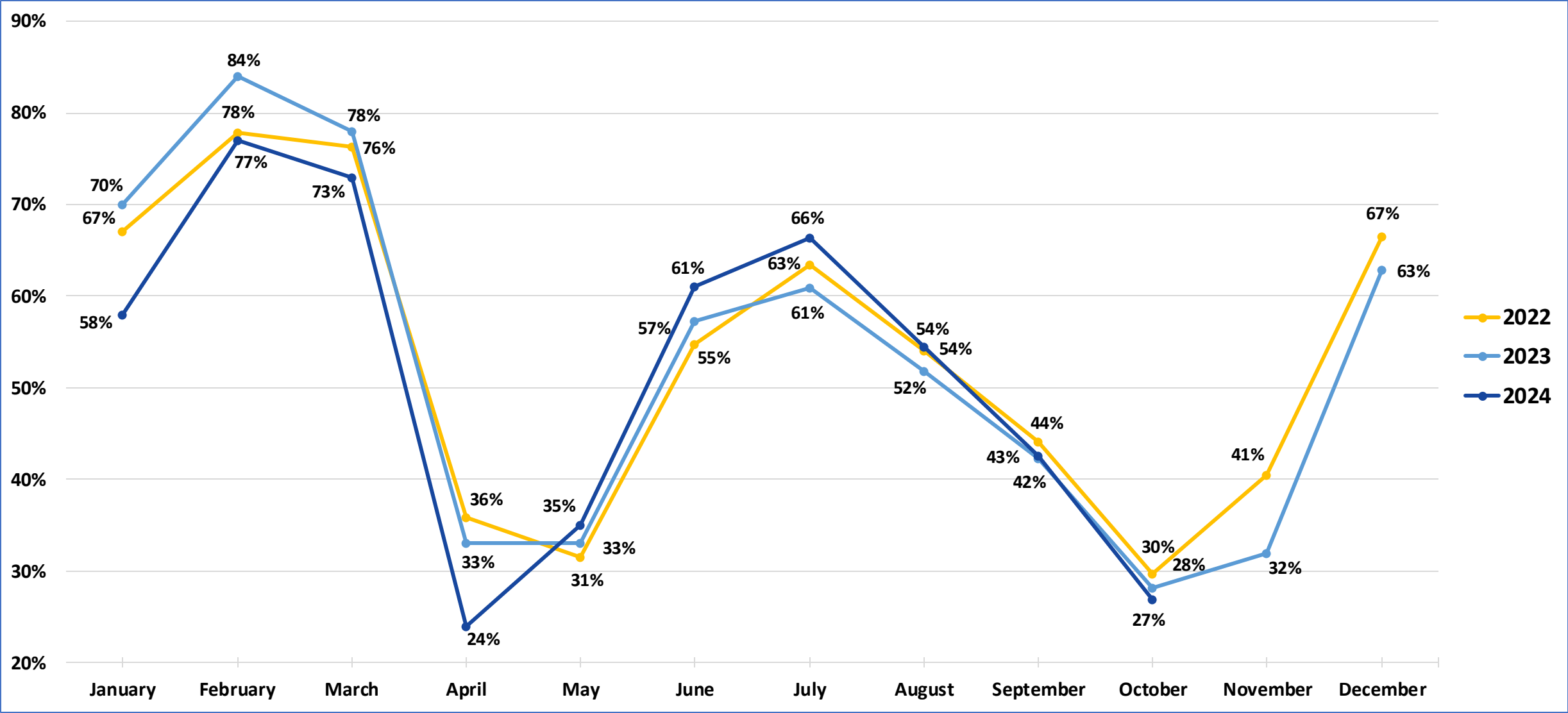


Definitions (provided by AirDNA)

- **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.

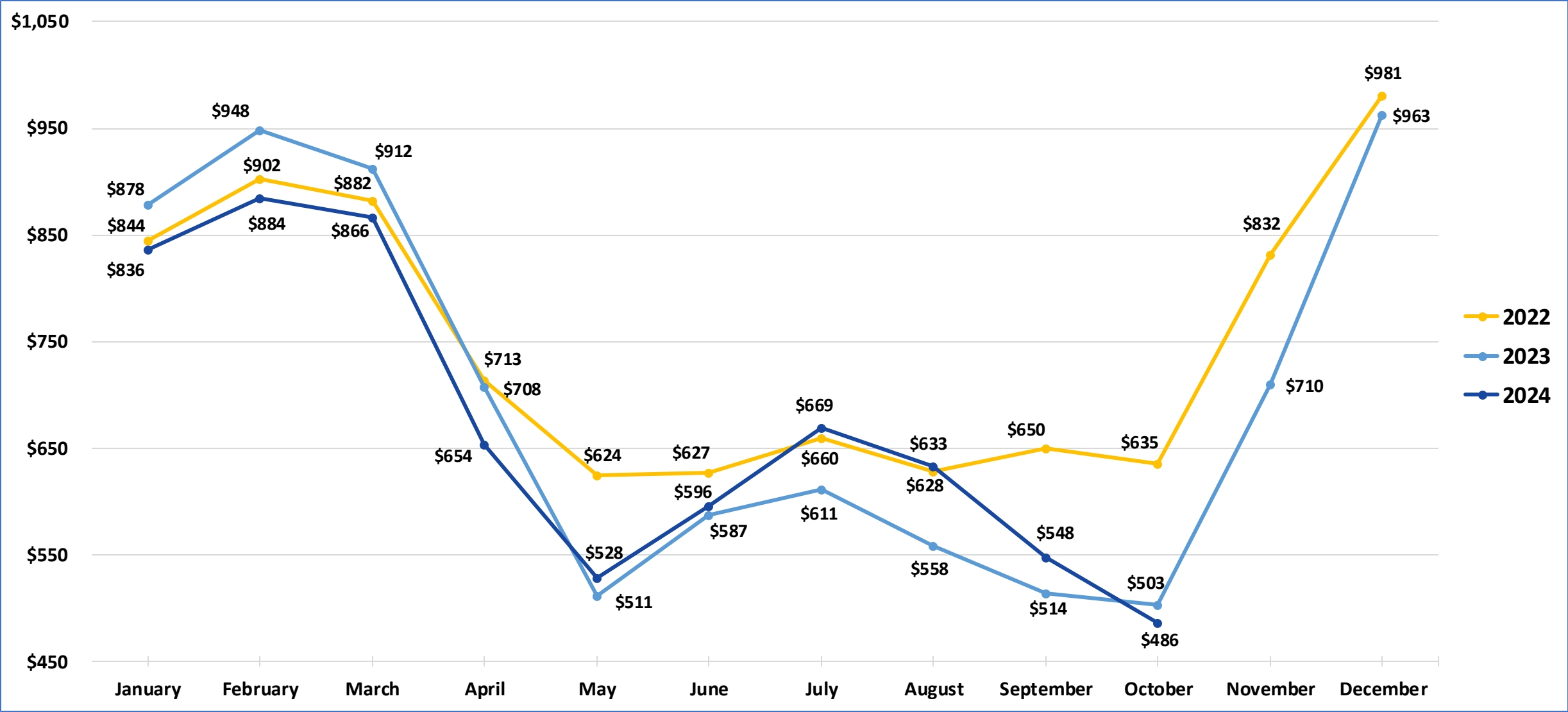
AIRDNA – OCCUPANCY (%) BY MONTH

VISIT BIG SKY
^ MONTANA ^



Source: AirDNA (Includes Airbnb and Vrbo data)

AIRDNA – AVERAGE DAILY RATE (\$) BY MONTH



Source: AirDNA (Includes Airbnb and Vrbo data)

KEY DATA DATA



KEY DATA DIRECT SOURCE LODGING PARTNERS

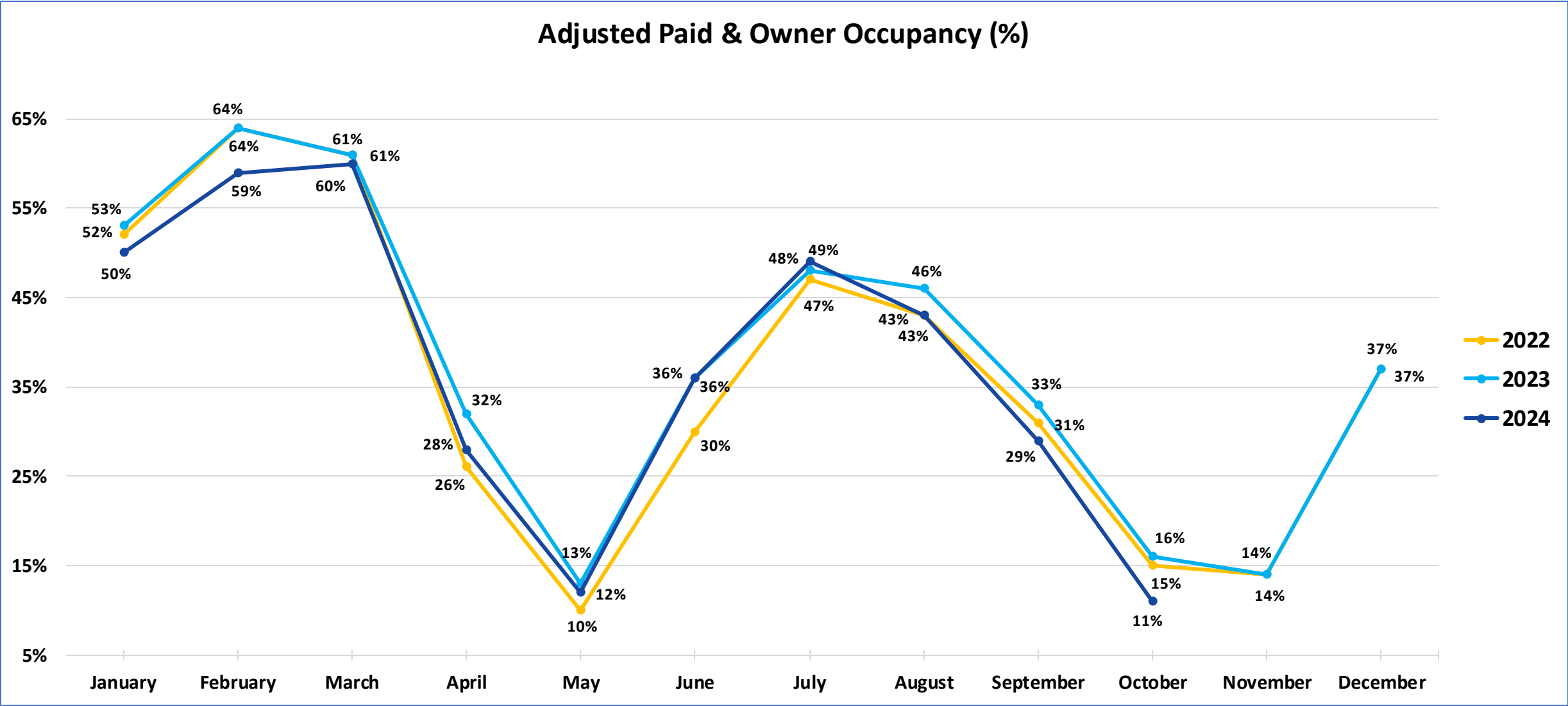


- Key Data currently partners with 12 Big Sky property management companies and hotels.
 - In total, this represents ~1,564 rental units in the Big Sky area.
 - All figures in the following slides are taken exclusively from the following 12 property management companies and hotels:
 - Alpine Property Management, Big Sky Luxury Vacations, Big Sky Resort, Big Sky Vacation Rentals, EVOLVE, Private, Montage Big Sky, Moonlight Basin, Natural Retreats, Stay Montana, Two Pines, and Vacasa.
- 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.

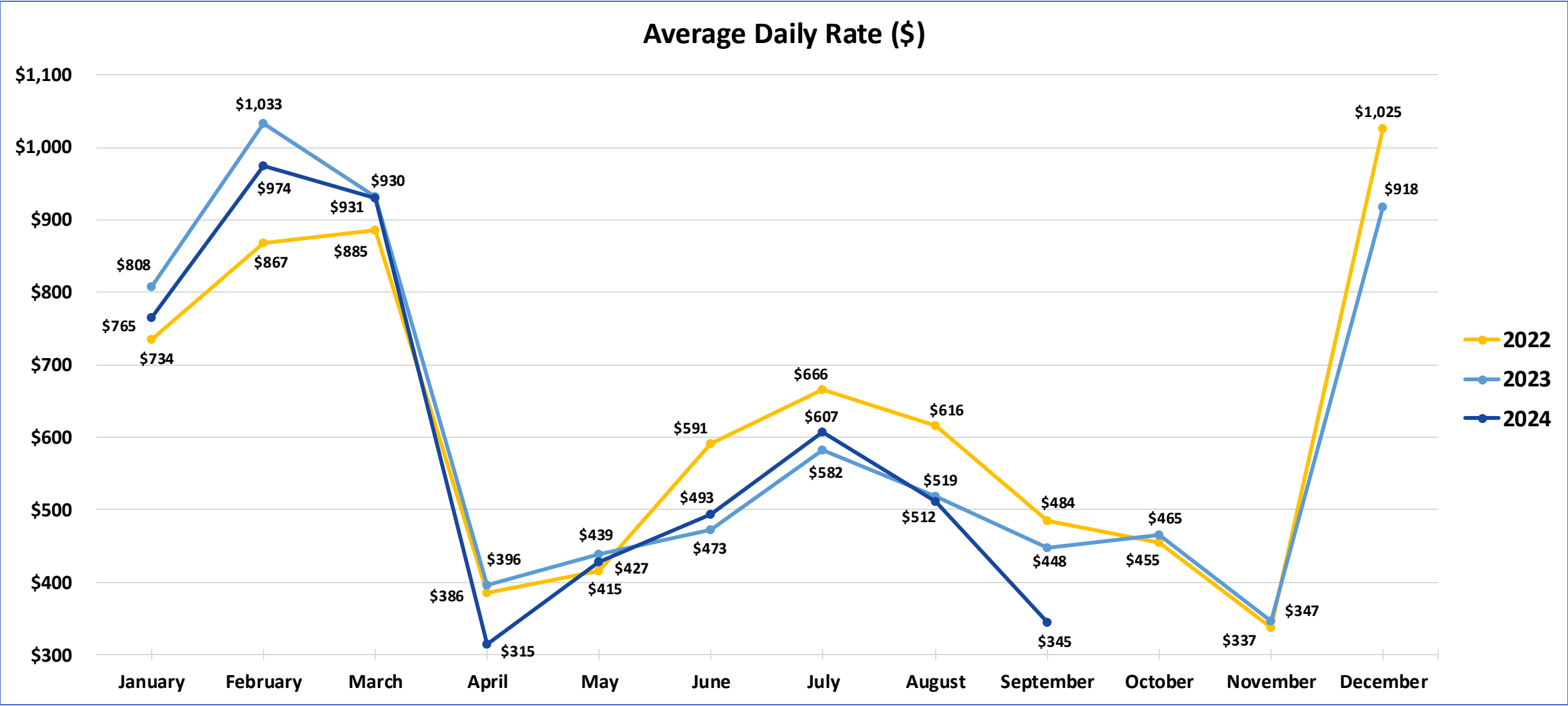
KEY DATA DIRECT SOURCE DEFINITIONS

- **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



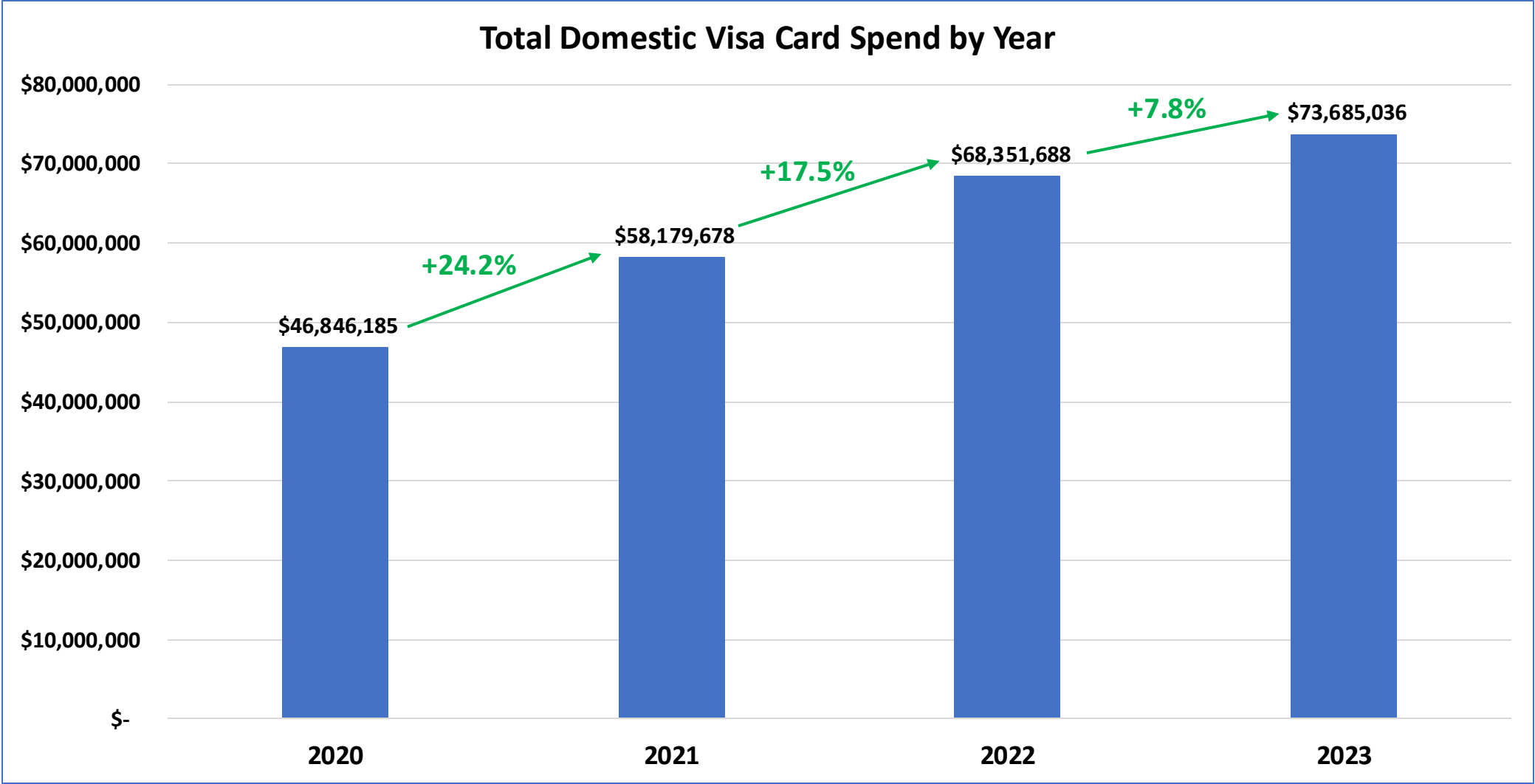
VISIT BIG SKY
^ MONTANA ^

VISA DESTINATION INSIGHTS

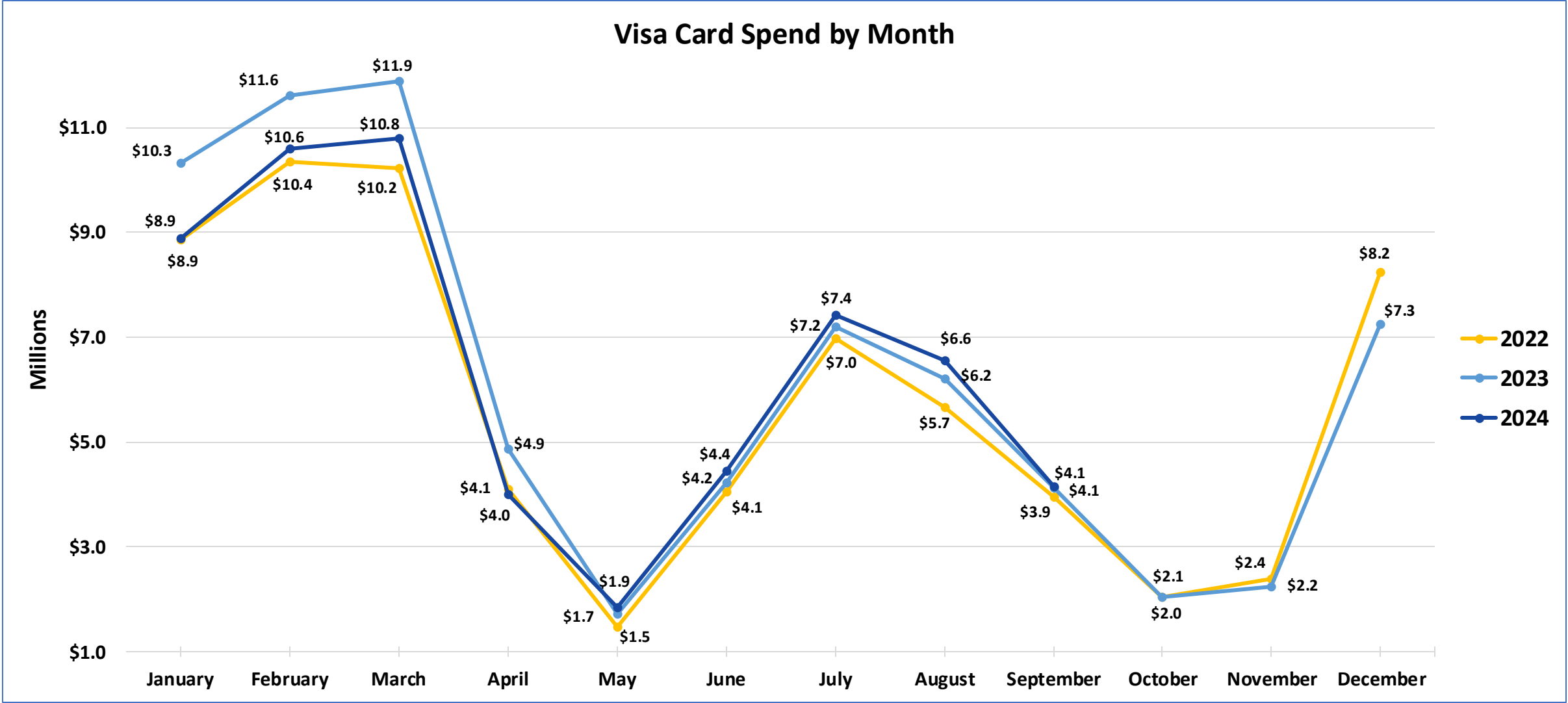


VISA VUE – TOTAL DOMESTIC VISA CARD SPEND

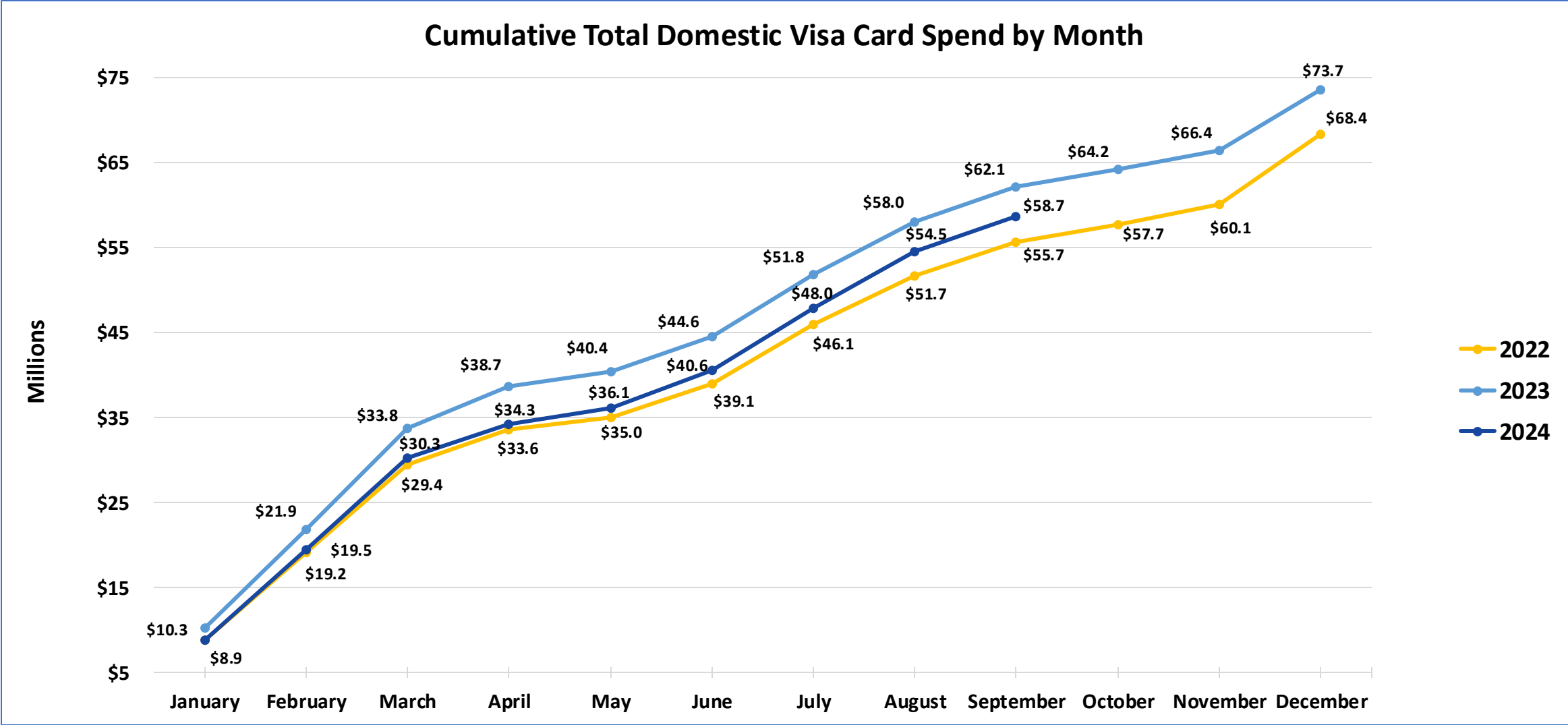
DATA BY YEAR



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



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



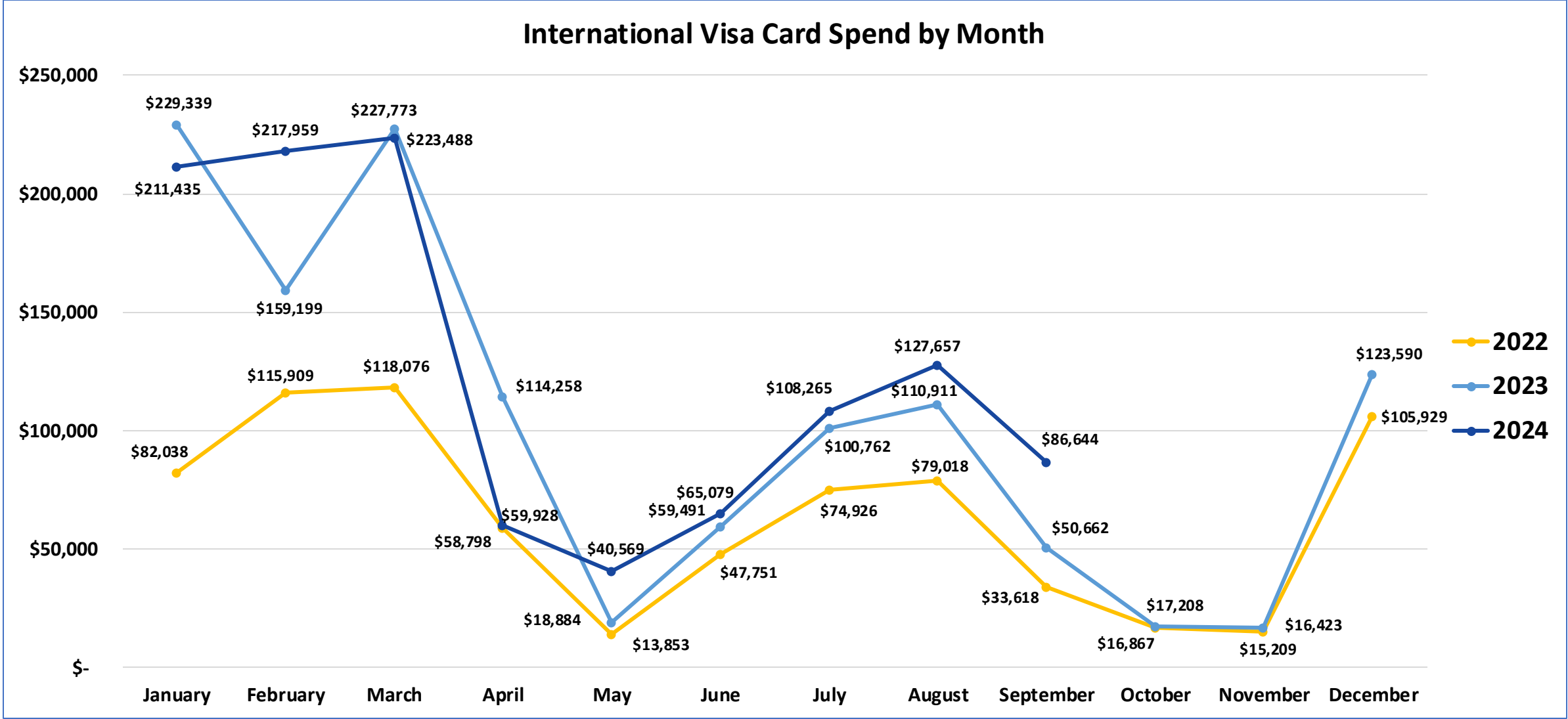
VISA VUE – 2024 YEAR-TO-DATE VISA CARD SPEND

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

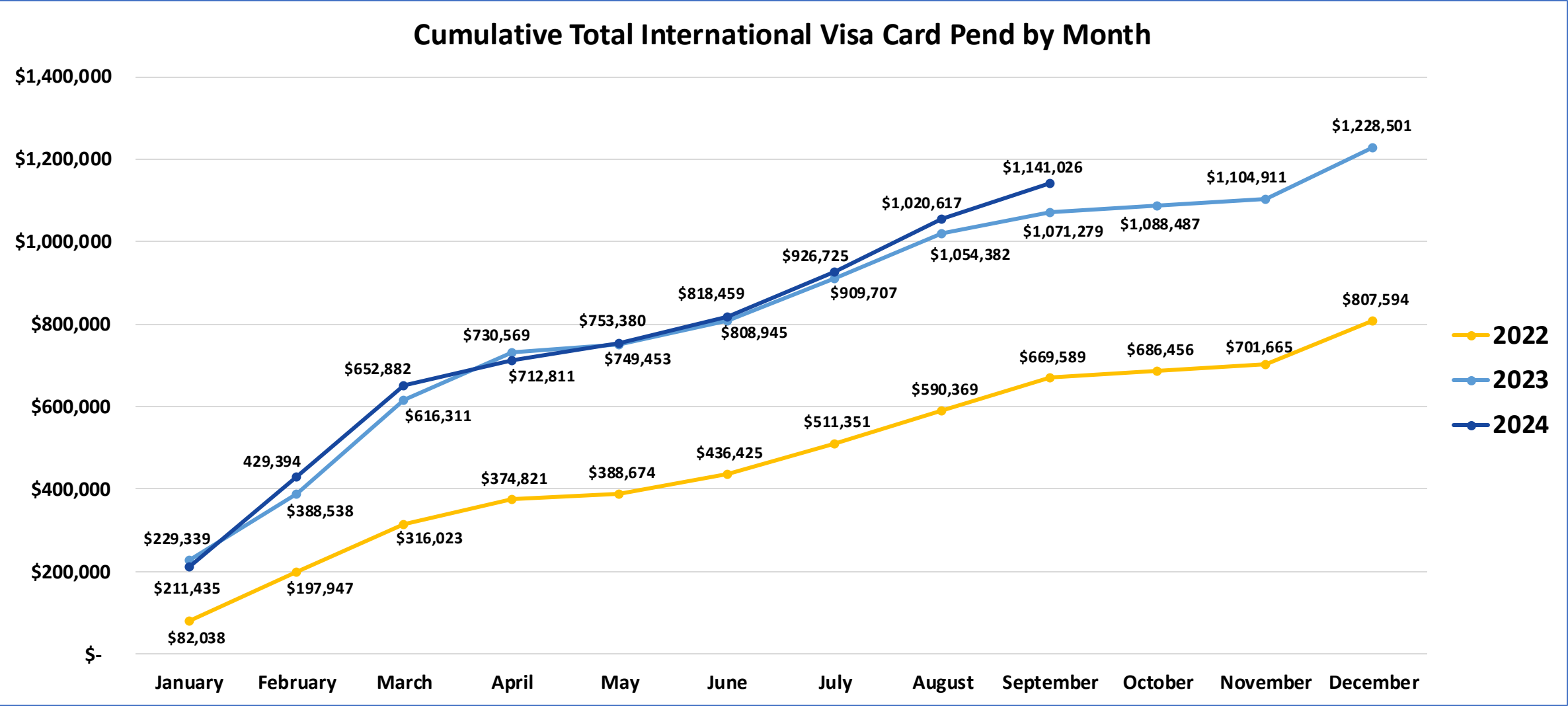


Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Bozeman, MT	\$18,129,616	-2%	45,315	0%
2	New York-Newark-Jersey City, NY-NJ-PA	\$2,647,925	-2%	8,689	+9%
3	Chicago-Naperville-Elgin, IL-IN-WI	\$1,934,203	0%	5,374	+4%
4	Los Angeles-Long Beach-Anaheim, CA	\$1,788,192	-7%	6,354	+3%
5	San Francisco-Oakland-Berkeley, CA	\$1,192,548	+3%	3,948	-1%
6	Seattle-Tacoma-Bellevue, WA	\$1,163,019	-18%	5,097	-8%
7	Boston-Cambridge-Newton, MA-NH	\$1,114,401	-10%	3,594	-11%
8	Minneapolis-St. Paul-Bloomington, MN-WI	\$1,008,308	-10%	7,551	+71%
9	Denver-Aurora-Lakewood, CO	\$997,874	-14%	5,078	-10%
10	Houston-The Woodlands-Sugarland, TX	\$924,951	-2%	2,855	+15%

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-September)

VISIT BIG SKY
^ MONTANA ^

Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Canada	\$456,810	+10%	1,839	+16%
2	Australia	\$122,239	-27%	339	-6%
3	United Kingdom	\$73,037	-3%	299	+27%
4	Mexico	\$56,828	+13%	179	+36%
5	Germany	\$41,562	+26%	156	+32%
6	New Zealand	\$39,970	+6%	122	-5%
7	Puerto Rico	\$27,648	-18%	43	-31%
8	China (mainland)	\$27,100	+6%	119	+53%
9	Switzerland	\$27,063	+86%	64	+31%
10	Brazil	\$18,174	+101%	49	+75%

**CONSUMER
SENTIMENT DATA**

**LONGWOODS
INTERNATIONAL**

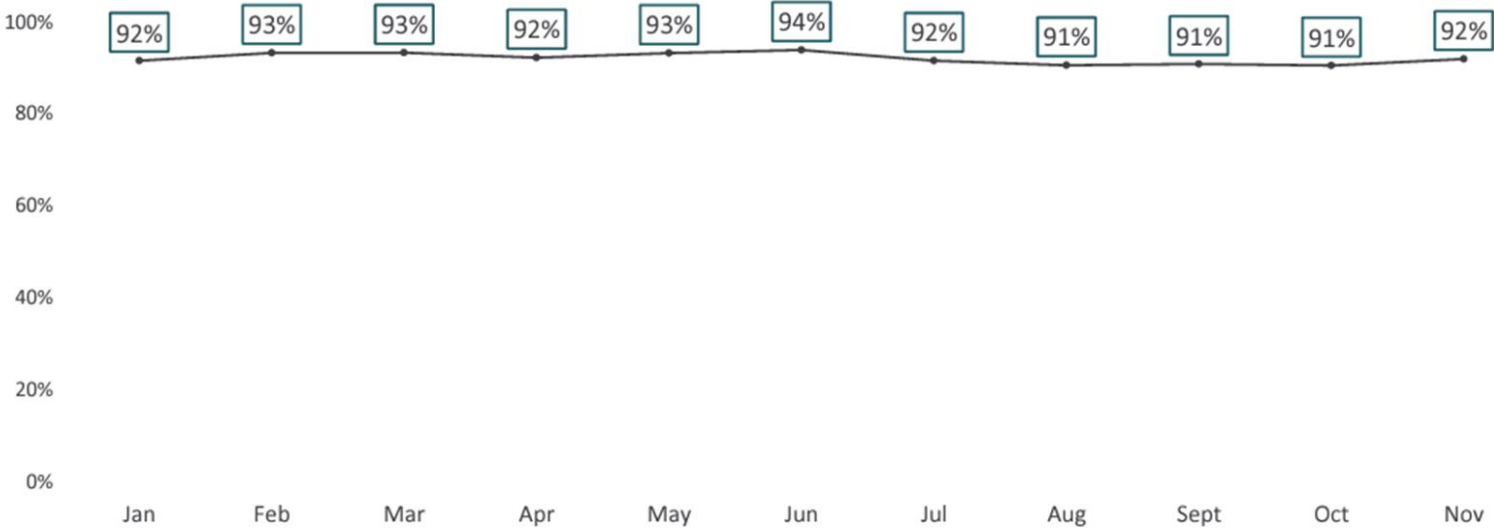


TRAVEL SENTIMENT STUDY WAVE 91

*Survey fielded November 7, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

Travelers with Travel Plans in the Next Six Months Comparison



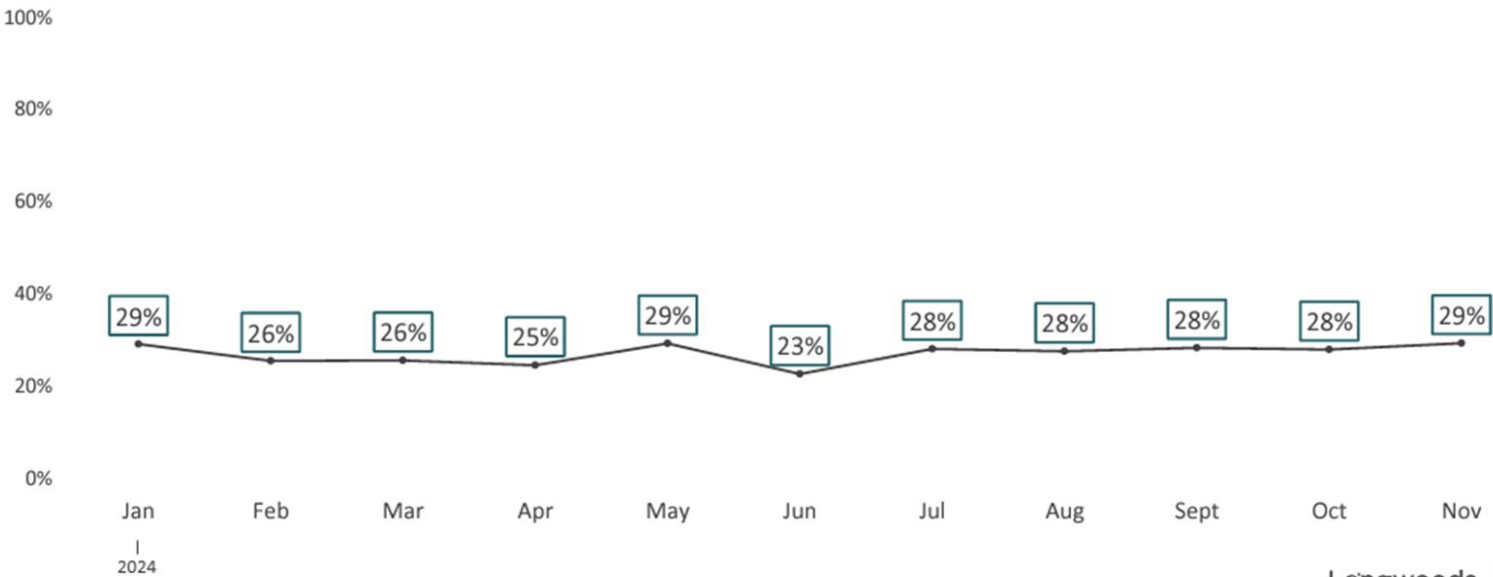
U.S. Travel Sentiment Tracker: Wave 91

TRAVEL SENTIMENT STUDY WAVE 91

*Survey fielded November 7, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

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



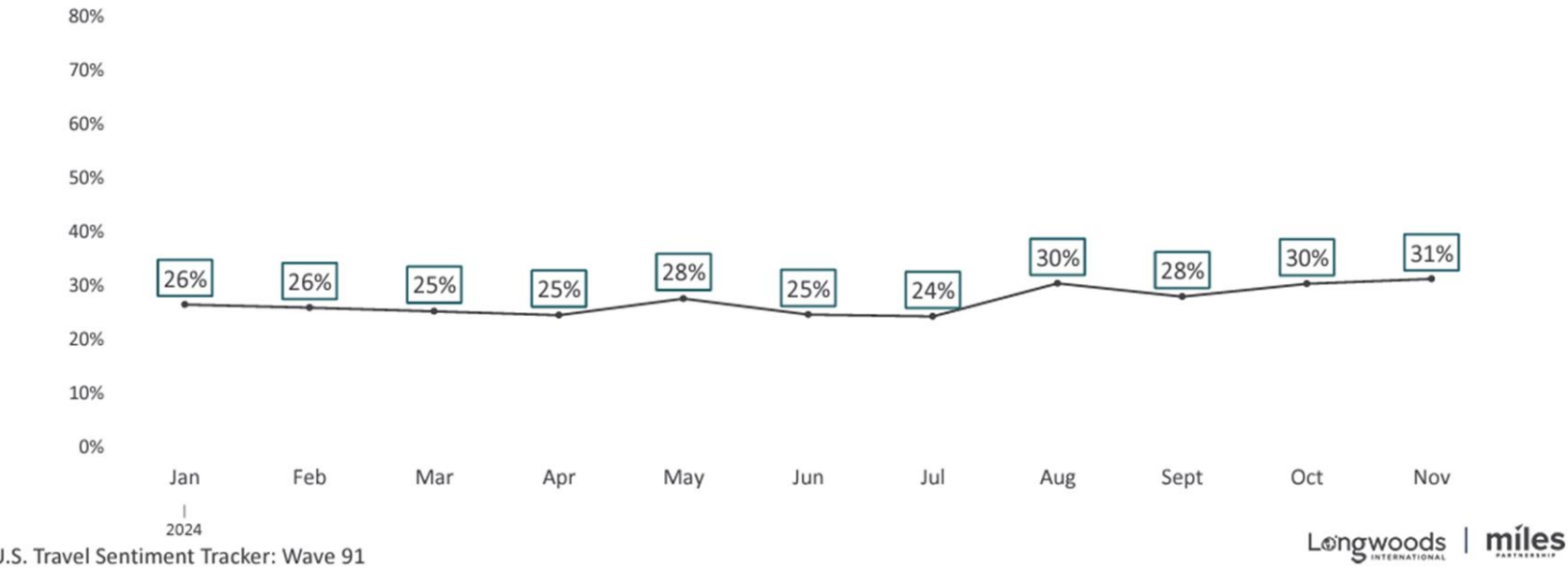
U.S. Travel Sentiment Tracker: Wave 91

TRAVEL SENTIMENT STUDY WAVE 91

*Survey fielded November 7, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

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



TRAVEL SENTIMENT STUDY WAVE 91

*Survey fielded November 7, 2024; US National Sample of 1,000 adults 18+

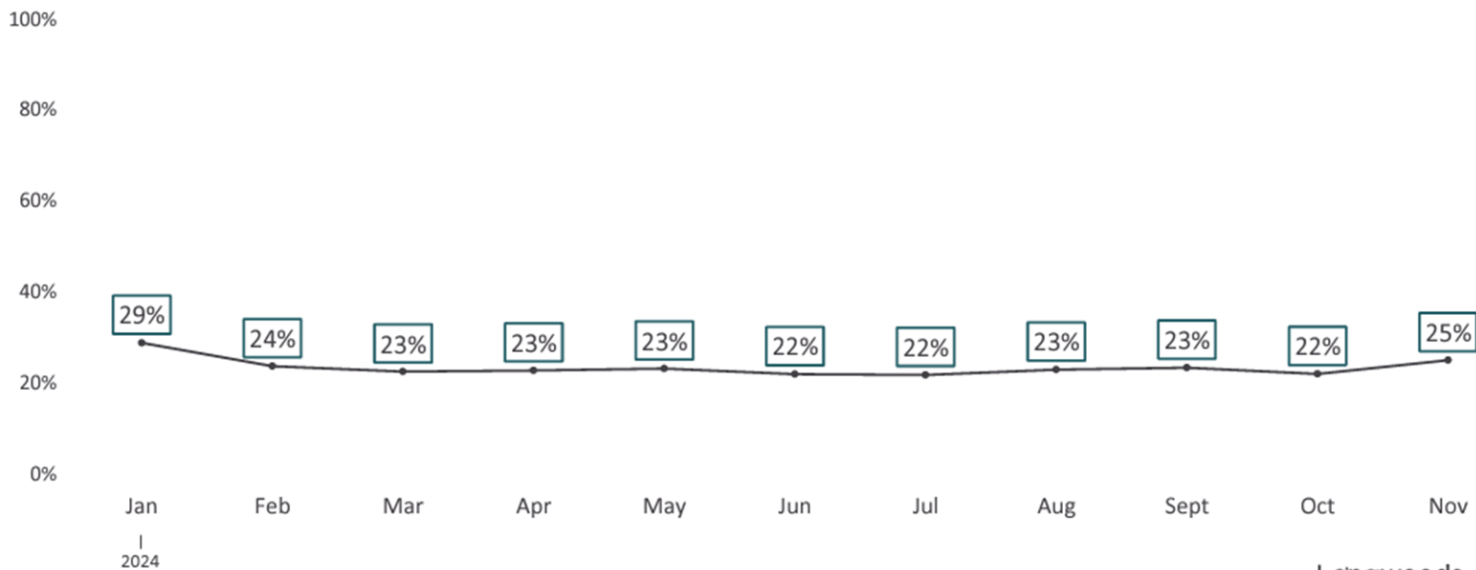


TRAVEL SENTIMENT STUDY WAVE 91

*Survey fielded November 7, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

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



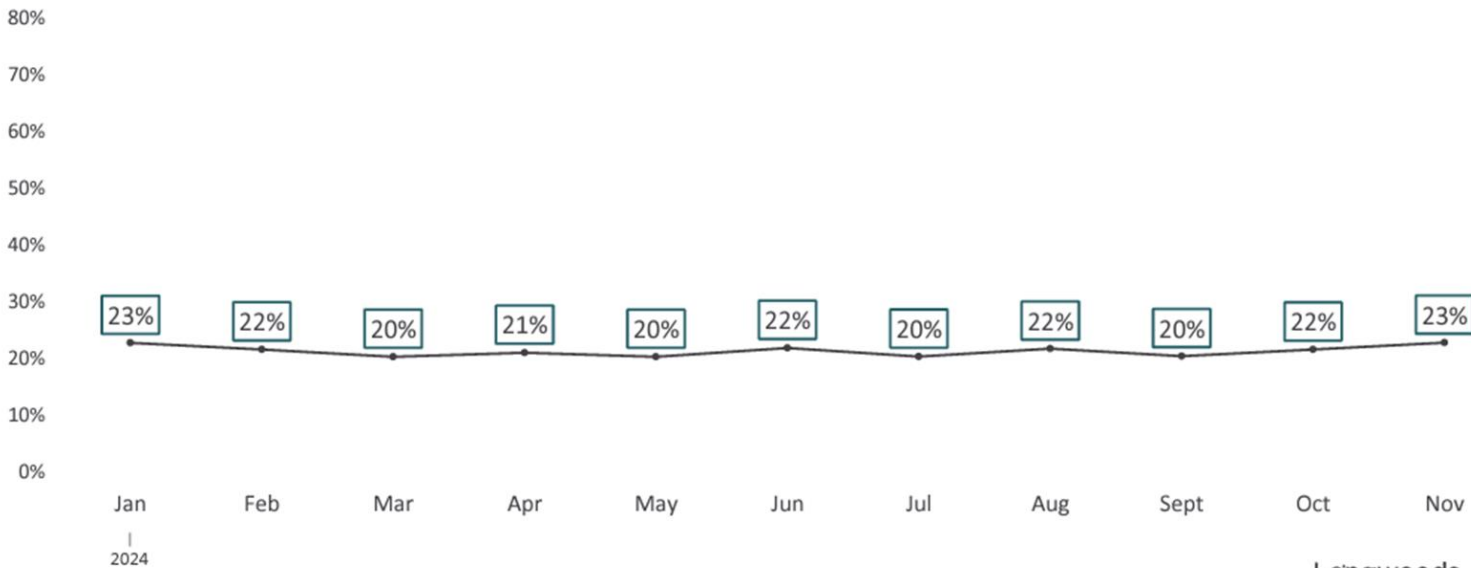
U.S. Travel Sentiment Tracker: Wave 91

TRAVEL SENTIMENT STUDY WAVE 91

*Survey fielded November 7, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

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



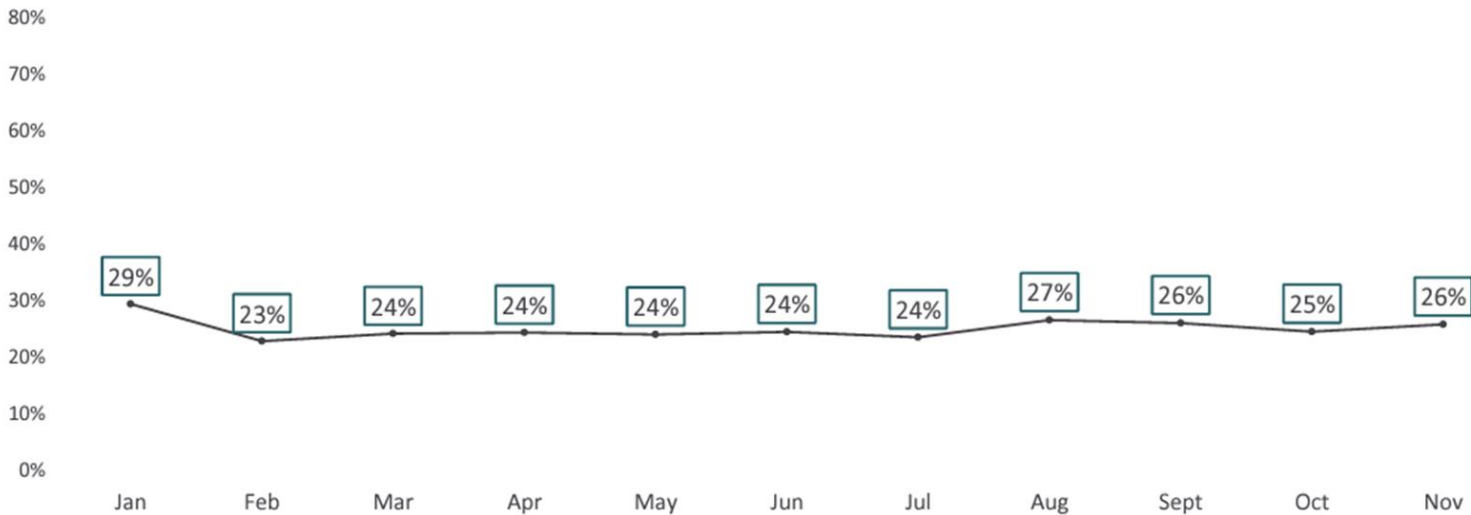
U.S. Travel Sentiment Tracker: Wave 91

TRAVEL SENTIMENT STUDY WAVE 91

*Survey fielded November 7, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

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



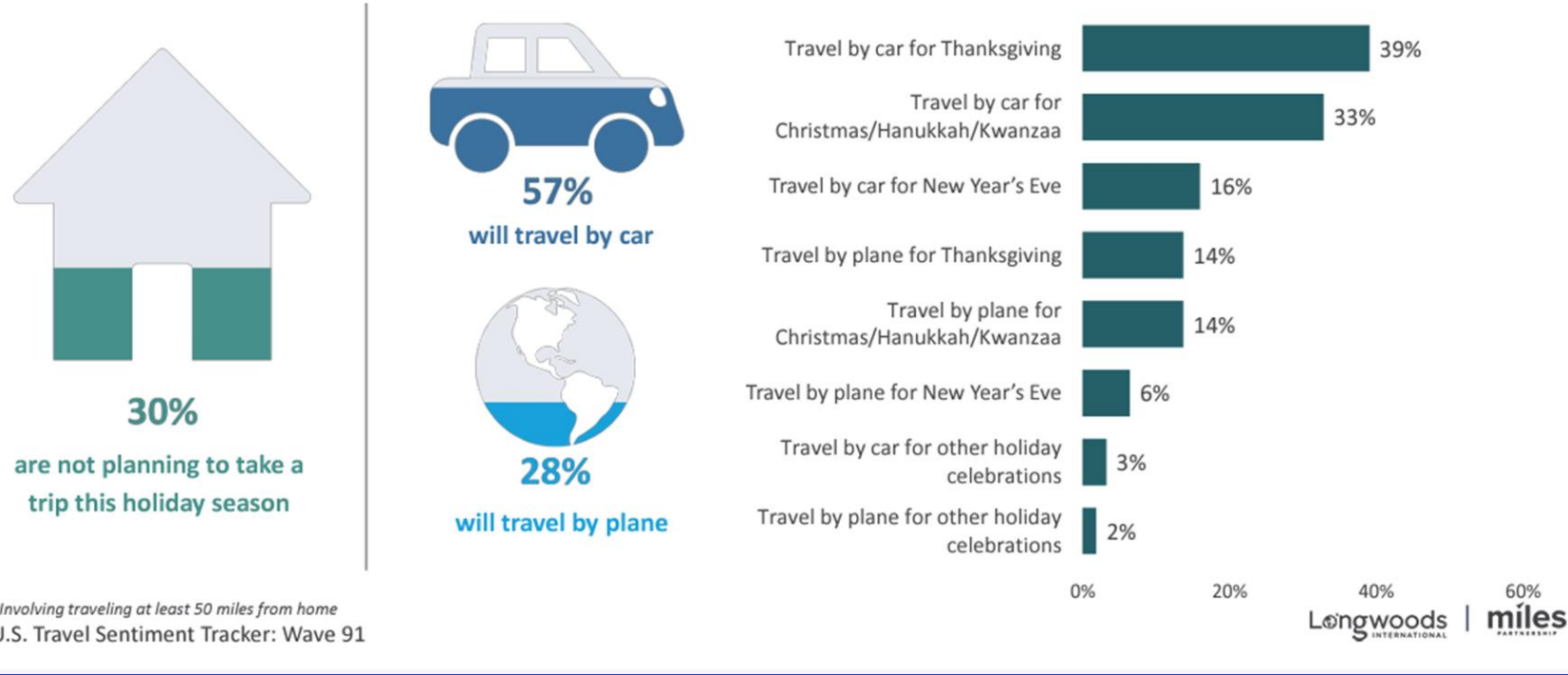
U.S. Travel Sentiment Tracker: Wave 91

TRAVEL SENTIMENT STUDY WAVE 91

*Survey fielded November 7, 2024; US National Sample of 1,000 adults 18+

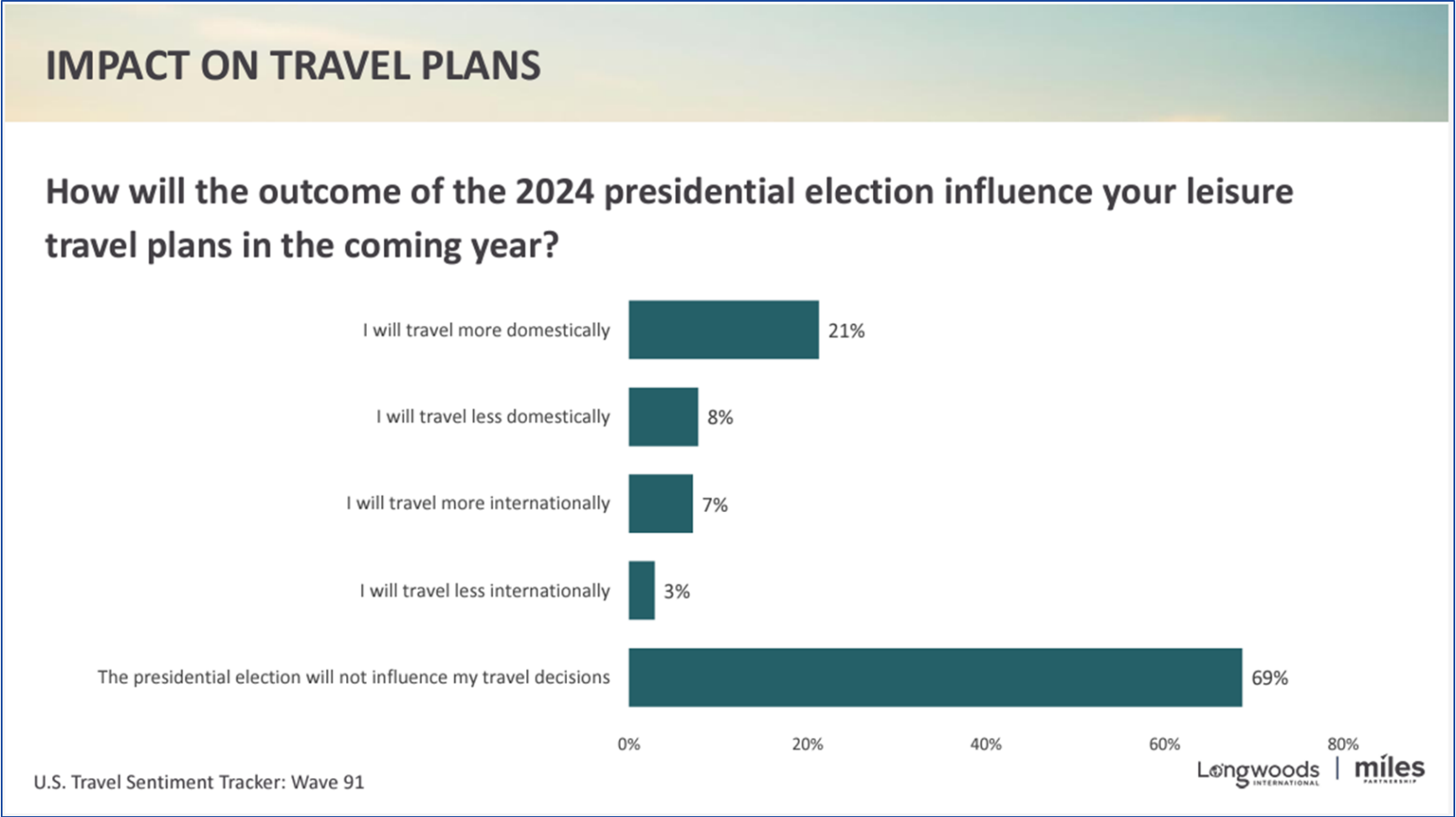
IMPACT ON TRAVEL PLANS

Upcoming Holiday Travel Plans*



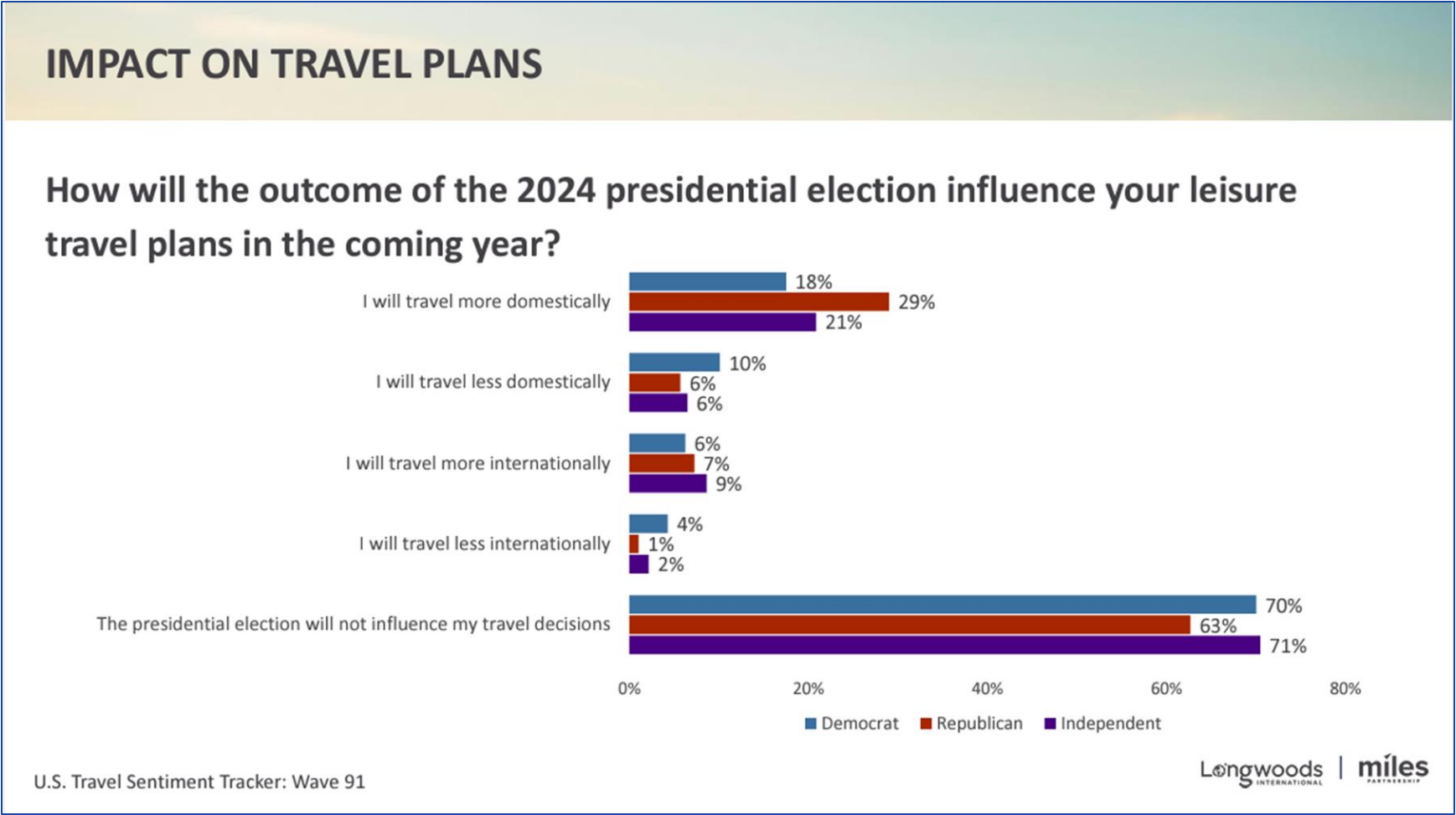
TRAVEL SENTIMENT STUDY WAVE 91

*Survey fielded November 7, 2024; US National Sample of 1,000 adults 18+



TRAVEL SENTIMENT STUDY WAVE 91

*Survey fielded November 7, 2024; US National Sample of 1,000 adults 18+

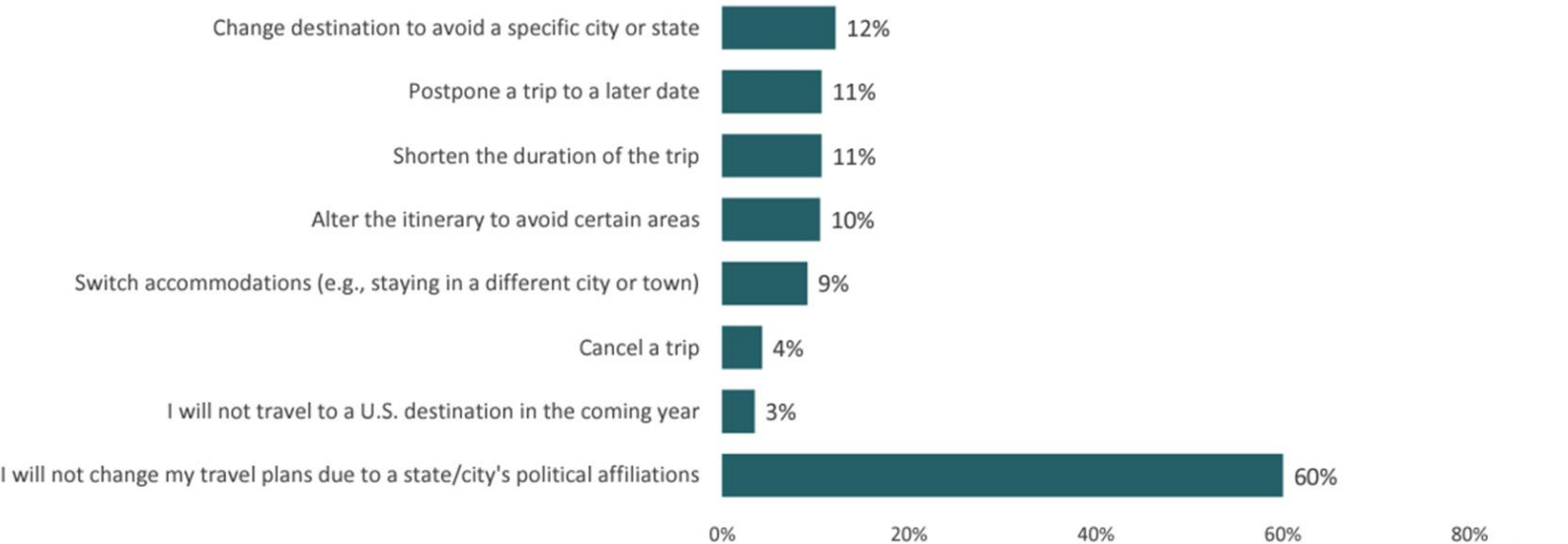


TRAVEL SENTIMENT STUDY WAVE 91

*Survey fielded November 7, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

In the upcoming year, will you change your travel plans to a U.S. destination due to legislation, policies, or political affiliations?



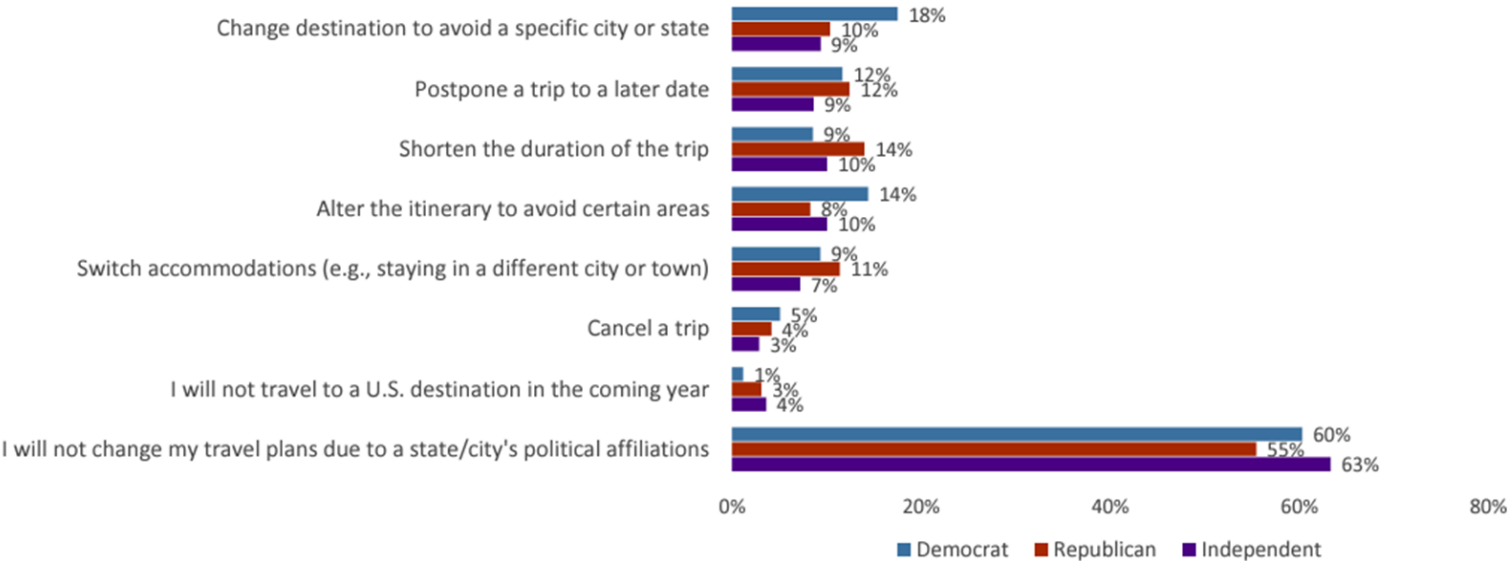
U.S. Travel Sentiment Tracker: Wave 91

TRAVEL SENTIMENT STUDY WAVE 91

*Survey fielded November 7, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

In the upcoming year, will you change your travel plans to a U.S. destination due to legislation, policies, or political affiliations?



U.S. Travel Sentiment Tracker: Wave 91

VISIT
BIG SKY
BIG SKY  **CHAMBER**



BLUE ROOM
RESEARCH