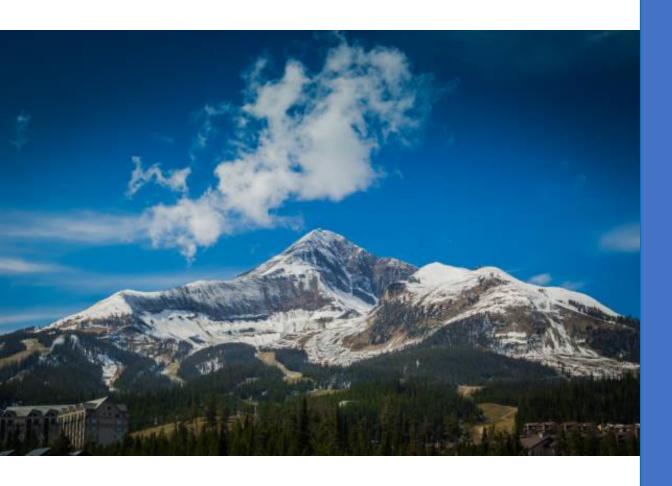
### VISIT BIG SKY ^ MONTANA ^



# **RESEARCH UPDATE**

# SEPTEMBER 2024 **REVIEW**

**BIG SKY CHAMBER | VISIT BIG SKY** 







### **EXECUTIVE SUMMARY**



## **Big Sky Travel & Tourism Trends**

- 249,773 total revenue passengers passed through the Bozeman Yellowstone International Airport in September 2024, a gain of 6.5% compared to the same month last year.
  - Total revenue passengers are up 8.4% Year-To-Date (YTD) in 2024 compared to YTD 2023.
- Average Occupancy at Airbnb and Vrbo short term rentals in Big Sky inched up from 42% in September 2023 to 43% in September 2024.
  - Average Daily Rate at those same properties showed healthy growth, rising from \$515 in September of last year to \$551 this year.
- Professionally managed short-term rentals reported a small drop in Occupancy Year-over-Year, with Occupancy slipping from 32% last September to 28% this September.
  - Average Daily Rate also deteriorated significantly, falling from \$448 in September 2023 to \$345 in September 2024.
- Visa credit card spend in Big Sky increased slightly YoY in August of 2024, with more than \$6.5 million being spent by domestic visitors and residents on Visa cards in the month.
  - International Visa card spend increased YoY, with \$127,657 being spent by international visitors on Visa cards during the month of August 2024.

## **ANALYST INSIGHTS – SEPTEMBER 2024**



## **West Region Mountain Market Summary**

- "With just one month left in the summer season, our prediction of 60 days ago stands: summer will finish
  on a positive note. Some very slight reductions in rate helped recover from early occupancy declines and
  helped drive a revenue win of just under six percent compared to last year."
- "So now we can turn to the road ahead and winter. Unfortunately, it's very much the same as early summer was before ADR adjustments and early winter last year for that matter."
- "Rate is up moderately, occupancy is down, and revenue is sitting minutely above flat. The issue has little
  to do with the product and everything to do with current economic and weather conditions. In a nutshell,
  until the snow starts to fall, bookings are going to be dictated by the economy."
- "And though almost all economic factors are positive, consumers' mood, which is after all is the true
  economic bottom line to the supply side, remains defensive forcing us to continue the mantra of rate
  sensitivity."
- "But there are other factors in the mix as well. Among those we can't control are some significant shifts in holiday and school breaks that are driving occupancy dips that may be hard to fill but at least can be anticipated. Then there's the upcoming election, which we can't control but is cited as a factor in a consumers' mood."

Source: DestiMetrics

# VISIT BIG SKY

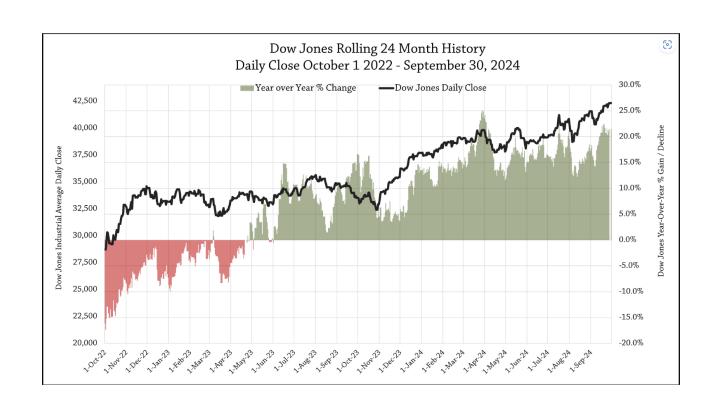


# VISIT BIG SKY

^ MONTANA ^

### The Dow Jones Industrial Average

- "Dow Jones Industrial Average (DJIA) was all about upward momentum in September, gaining 1.85 percent, or 767.1 points, to close the month at 42,330.15 points, the highest monthly close in the index's history. This is the tenth gain in the DJIA in the last 11 months and essentially a continuation of the 1.8 percent gain recorded in August."
- "The Dow is currently a dramatic 26.3 percent/8,822 points higher than last September and a staggering 66.5 percent higher than just before the pandemic in February 2020."
- "The strength in financial markets is a bit of a paradox; while Wall Street booms, consumers can't shake-off price sensitivity."

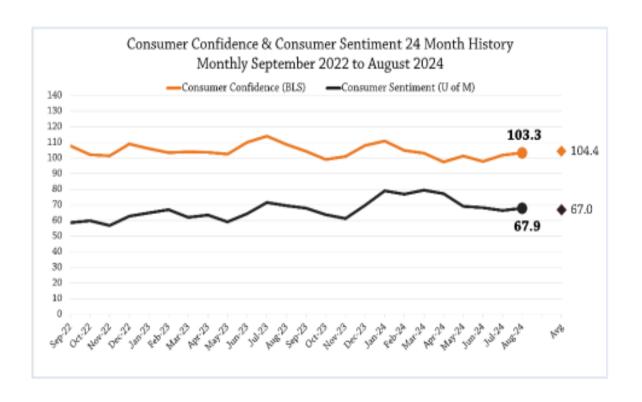


# VISIT BIG SKY

^ MONTANA ^

# The Consumer Confidence Index & Consumer Sentiment Index

- "CCI and CSI went in different directions in September, with the CCI declining sharply while the CSI ticked up."
- "...Consumers pulled back sharply in September and the [CCI] index dropped -6.5 percent, or 6.9 points, finishing the month at 98.7 points. Even though interest rates and inflation came down during the month, both high interest rates and inflation were cited as the main reason for the retraction."
- "The CSI...is being contrary this month, gaining 3.2 percent or 2.2 points to climb from 67.9 to 70.1 points. This is the first foray above 70 for the CSI since last April and was rooted in higher expectations for improved labor markets and still better inflation in the months ahead."



# VISIT BIG SKY

^ MONTANA ^

### **The National Unemployment Rate**

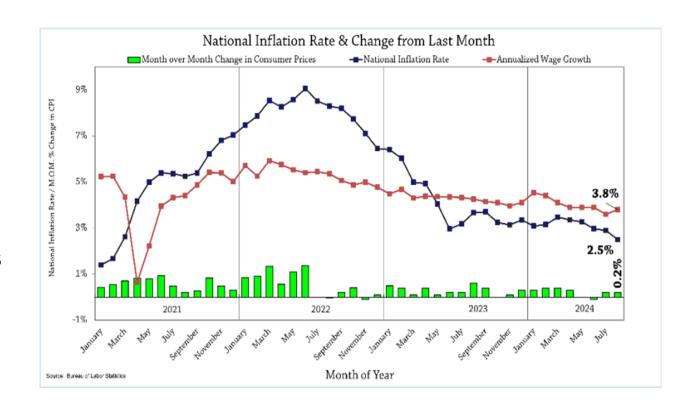
- "Employers added a stunning 254,000 jobs during the month, a sharp reversal of recent trends and the most since January."
- "Wages remained strong in September, up 0.4
   percent from August and up 4.0 percent from last
   September, well ahead of the 2.5 percent inflation
   rate."
- "The Leisure and Hospitality sector added 78,000
  jobs last month, with 69,000 going to the Food and
  Drinking Places subsector, and just 6,600 going to
  Accommodations."
- "The strength in the job market likely tells edgy consumers many of their labor fears are unfounded, but at the same time it tells the Federal Reserve Bank that the economy is still quite hot, and hotly anticipated interest rate cuts may be slower in coming than we hoped just two weeks ago."



# VISIT BIG SKY

#### The National Inflation Rate

- "Inflation declined in September for the sixth consecutive month is now at 2.4 percent, its lowest level since February 2021 (1.7 percent). This is the sixth consecutive decline in inflation and the ninth decline in the past year, putting the rate dramatically below the 9.1 percent peak in June 2022."
- "Prices edged up slightly more than forecast in September, up 0.2 percent, but key household items were flat or down, easing pressure on consumers."
- "Meanwhile, year-over-year wages increased 4.0 percent, and wages have now grown faster than inflation for 17 consecutive months, also helping to ease pressure on consumers."
- "Consumers remain focused on recovery from the past two years' inflation, and rate sensitivity is a key contributor to early booking pace and occupancy issues for the winter ahead."





#### **Short Term Rentals**

- "The summer surge in supply came to an end in September, which recorded the lowest growth rate for available listings since the early days of the pandemic recovery. While listing growth picked up in July and August, the overall trend has been a clear decline since the highs of 2022. High interest rates, stubbornly high housing prices, and weaker unit-level performance have all contributed to the slowdown in supply growth."
- "The challenge of securing new rental homes is evident in the decline of new listings, defined as those
  never appearing in our data before September. These listings dropped by 17.1% compared to September
  2023, marking the seventh consecutive month of year-over-year (YOY) declines and the largest singlemonth percentage drop since October 2020."
- "Labor Day shifted from September 4th in 2023 to September 2nd in 2024. This seemingly small change moved two days of the Labor Day weekend from September to August, resulting in substantial impacts on monthly demand growth. August was very strong, with 12.0% year-over-year (YOY) demand growth, while September experienced weak 2.3% YOY demand growth."
- "September's demand growth couldn't quite keep up with supply growth. This caused a drop in occupancy for both September and the year-to-date, in comparison to 2023 levels. September occupancy was down 4.0% YOY. While year-to-date occupancy had managed a slight +0.2% growth by August, it's now slightly below 2023 levels at -0.2% YOY through September."

Source: AirDNA



### **Short Term Rentals (continued)**

• "The U.S. STR market saw its seventh consecutive month of ADR growth. Compared to 2023, when almost every month recorded notable rate declines, this year's ADR increases appear large."

#### **Key U.S. Short Term Rental Performance Metrics for September 2024**

- Available listings were 1.73 million, up 3.9% YOY
- Total Demand (nights) rose 2.3% YOY
- Occupancy was -4.0% lower YOY at 49.8%
- Average Daily Rates (ADR) increased 2.7% YOY to \$293.60
- Revenue per Available Rental (RevPAR) declined 1.6% year-over-year (YOY) to \$146.09.

Source: AirDNA

# AIRPORT DATA



# BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT NON-STOP DESTINATIONS





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

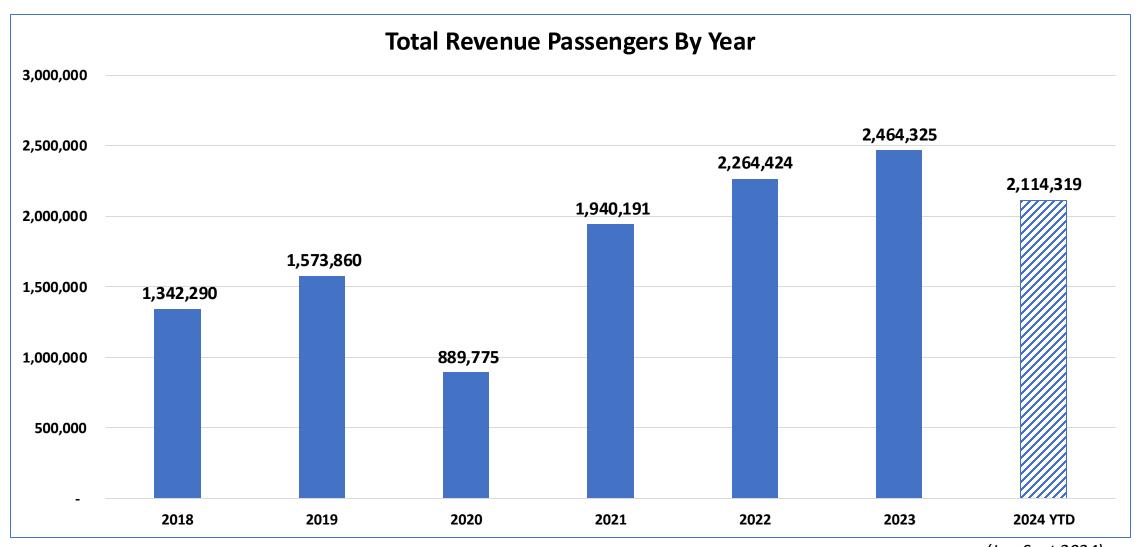


Total Revenue Passengers									
<u>Month</u>	<u>2024</u>	<u>2023</u>	% Change vs. 2023	2022	% Change vs. 2022				
January	184,239	182,309	1.1%	167,043	10.3%				
February	192,315	188,040	2.3%	171,096	12.4%				
March	226,724	212,084	6.9%	206,216	9.9%				
April	148,434	144,862	2.5%	140,031	6.0%				
May	190,101	173,251	9.7%	165,145	15.1%				
June	285,722	248,492	15.0%	225,410	26.8%				
July	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		185,605		167,851					
November		142,205		132,939					
December		185,281		174,170					
Year-to-Date	2,114,319	1,951,234	8.4%	1,789,464	18.2%				
Total		2,464,325		2,264,424					

Source: Bozeman Yellowstone International Airport

# BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT - YEARLY TOTAL PASSENGERS





(Jan-Sept 2024)

# AIRDNA DATA

# **VISIT BIG SKY**

^ M O N T A N A ^



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

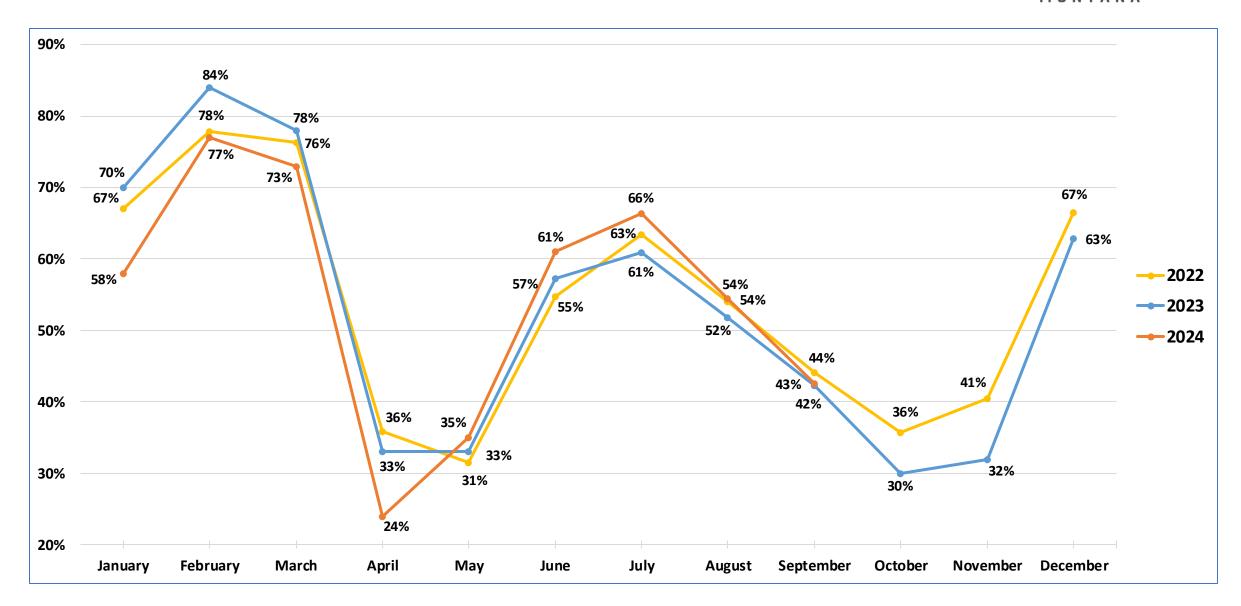


#### **Definitions (provided by AirDNA)**

- 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.

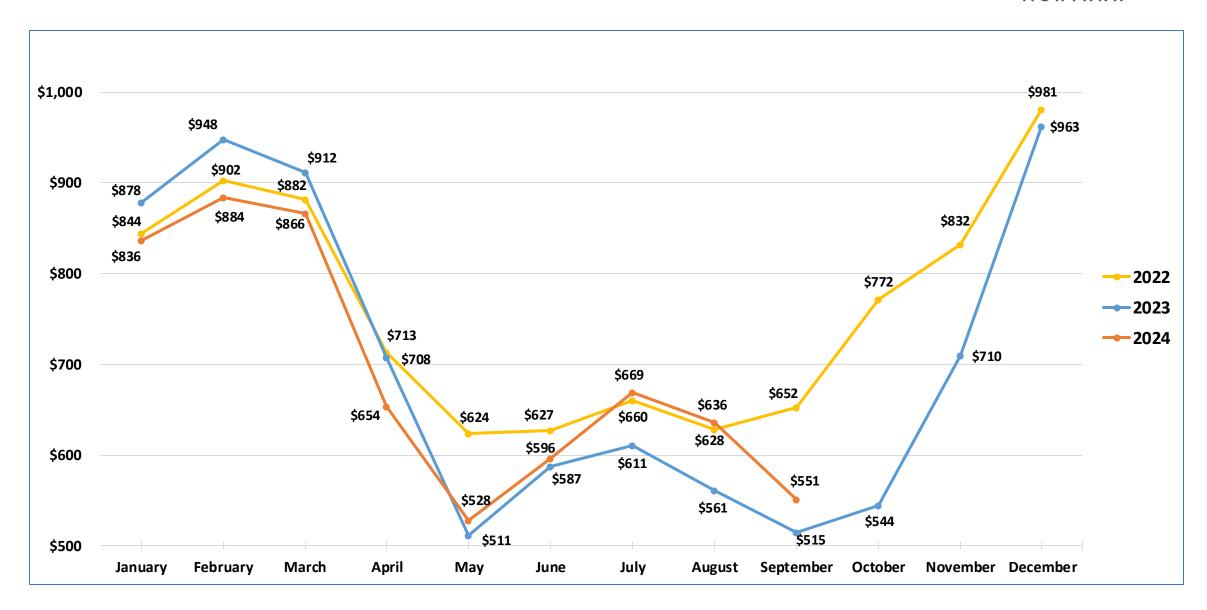
# AIRDNA – OCCUPANCY (%) BY MONTH





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

# VISIT BIG SKY



# KEY DATA DATA

# **VISIT BIG SKY**



## **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.

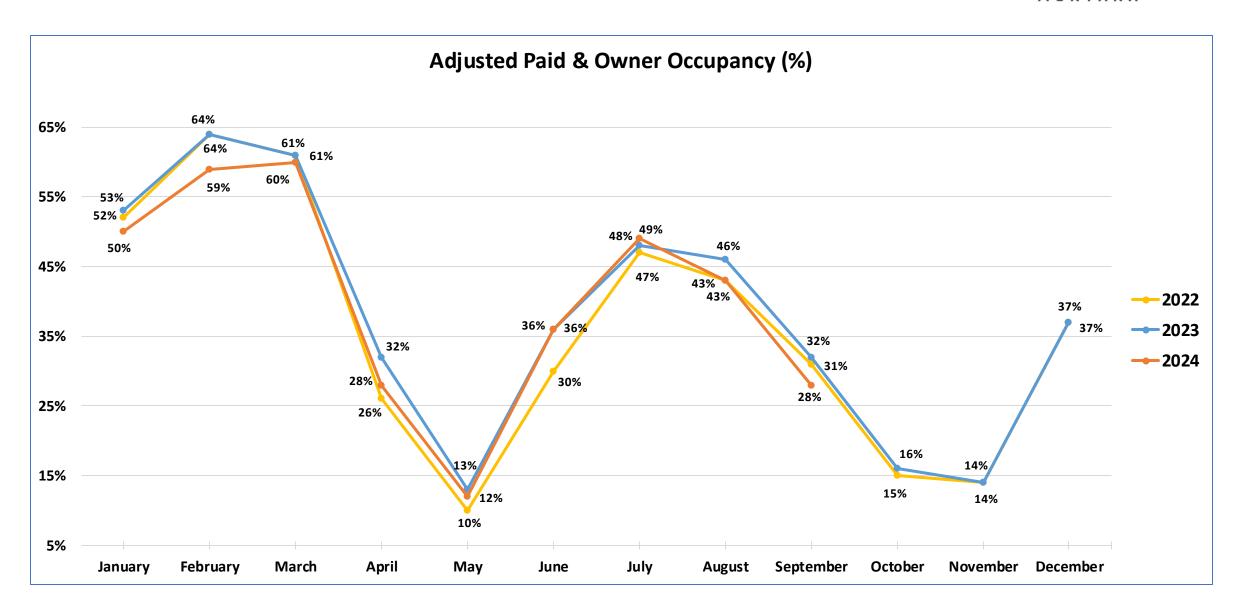
## **KEY DATA DIRECT SOURCE DEFINITIONS**



- <u>Average Daily Rate (ADR)</u> 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)
- <u>Adjusted Revenue Per Available Room (RevPAR)</u> 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
- <u>Average Revenue (Nightly)</u> 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."

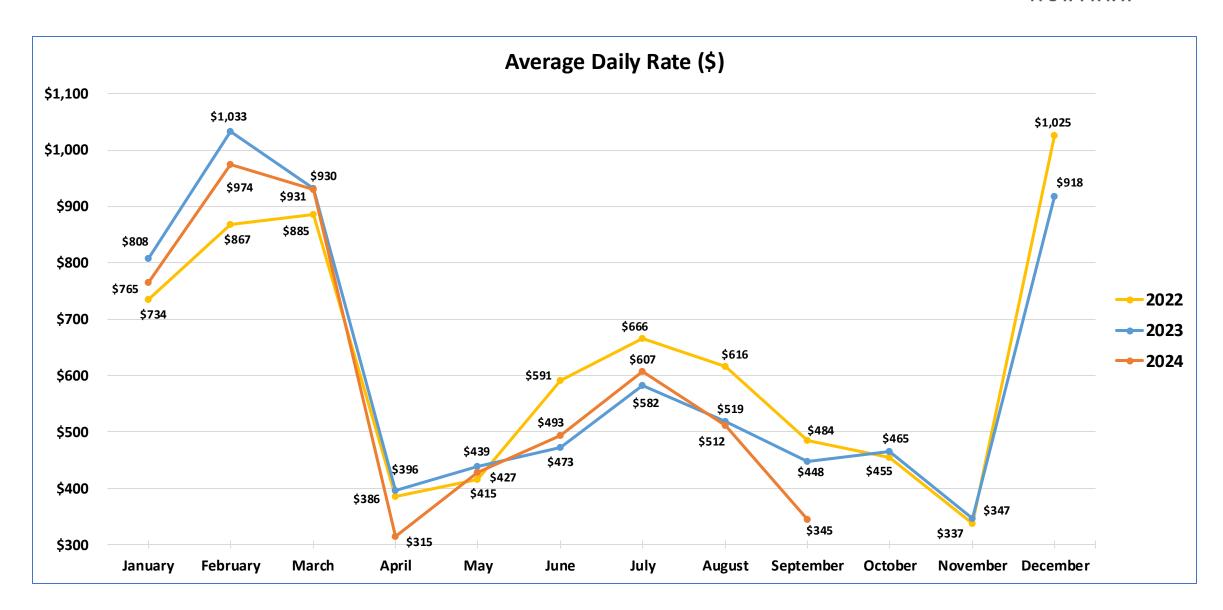
# **KEY DATA – OCCUPANCY (%) BY MONTH**





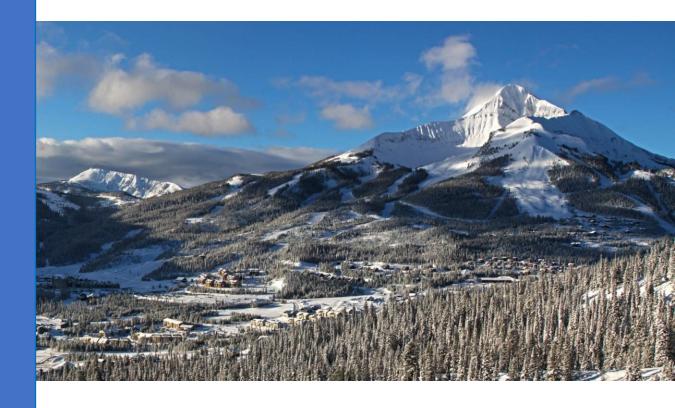
# **KEY DATA – AVERAGE DAILY RATE (\$) BY MONTH**

# VISIT BIG SKY



# VISIT BIG SKY

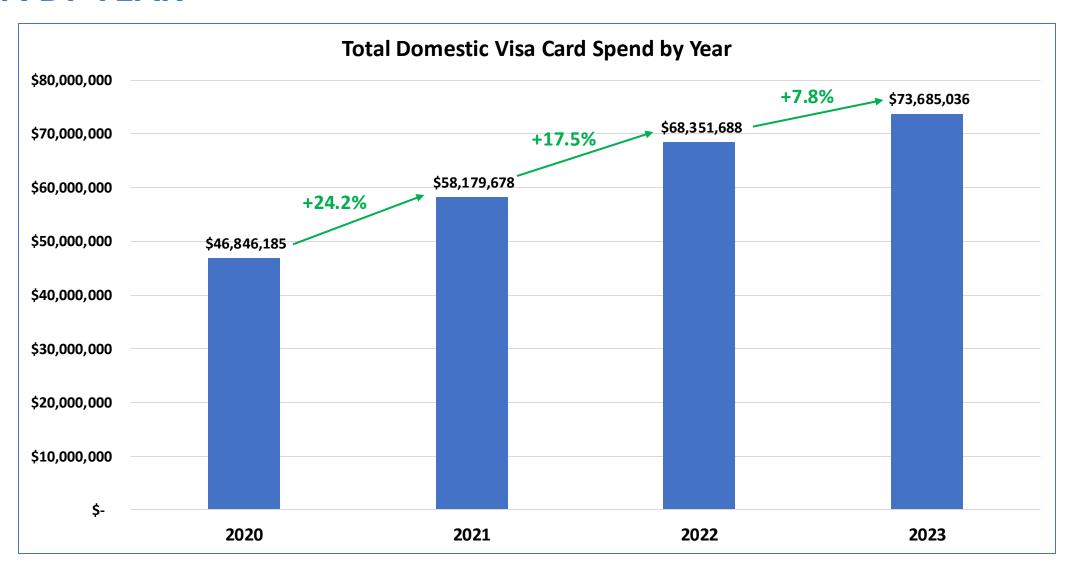
# VISA DESTINATION INSIGHTS



# VISA VUE – TOTAL DOMESTIC VISA CARD SPEND DATA BY YEAR



^ MONTANA ^

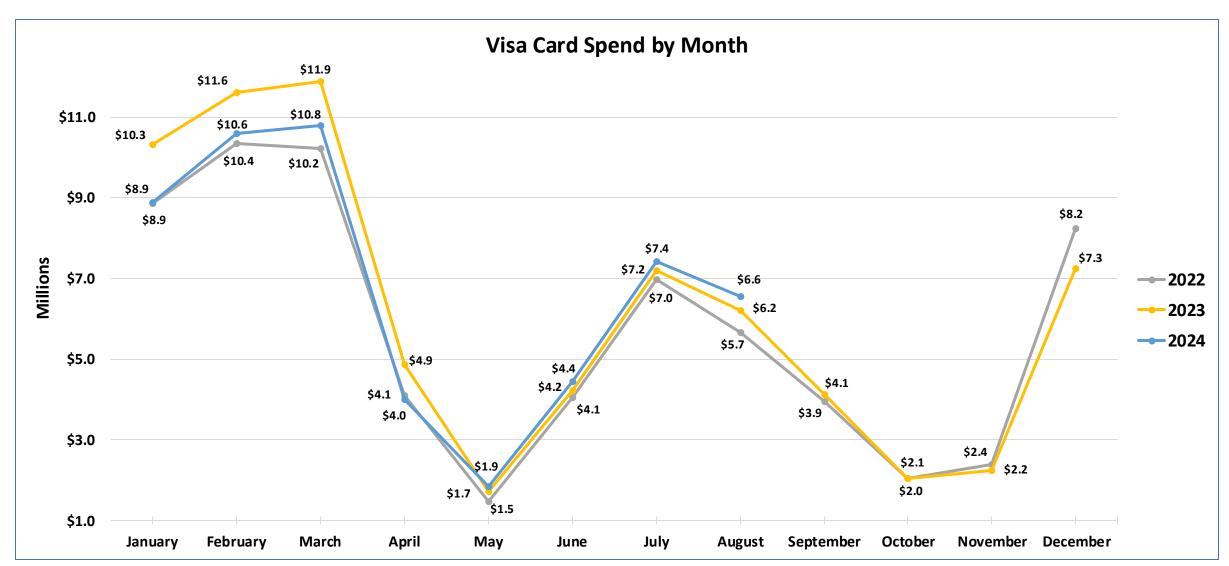


## VISA VUE – TOTAL DOMESTIC VISA CARD SPEND

# VISIT BIG SKY

^ MONTANA ^

**DATA** (Spend by Month)

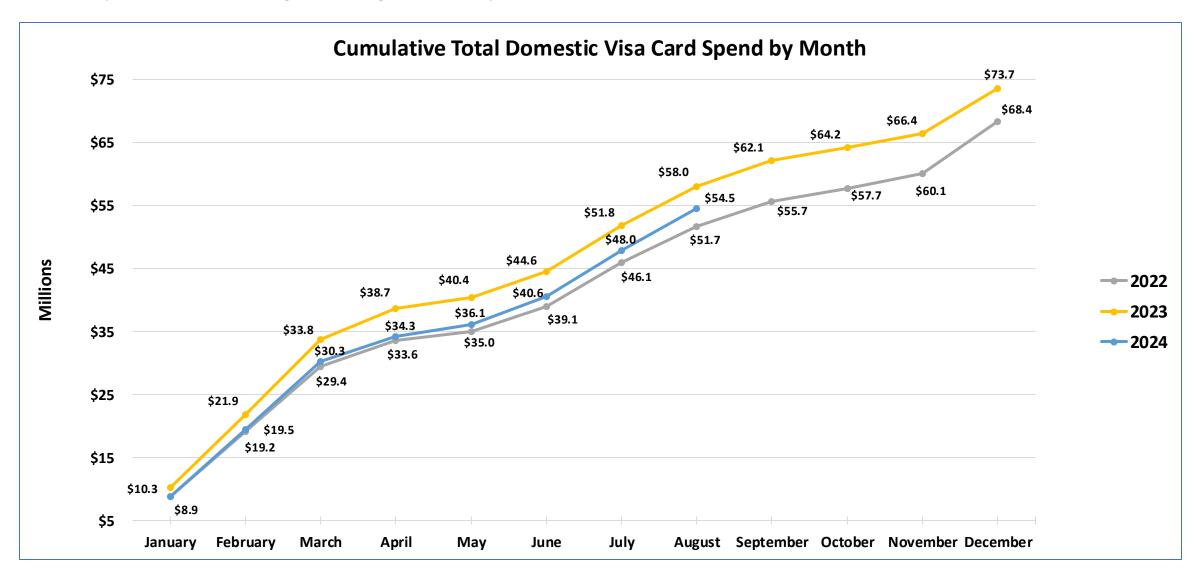


## **VISA VUE – TOTAL DOMESTIC VISA CARD SPEND**

# VISIT BIG SKY

^ MONTANA ^

**DATA** (Cumulative Spend by Month)



# VISA VUE – 2024 YEAR-TO-DATE VISA CARD SPEND VISIT BIG SKY

^ MONTANA ^

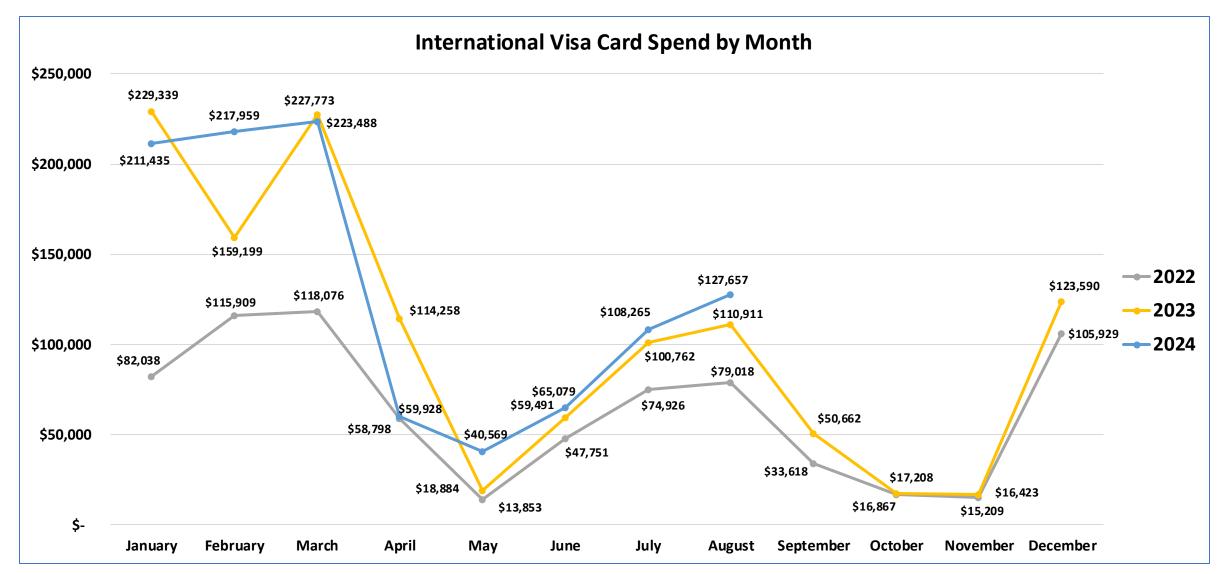
**DATA** - Spend by Market 2024 YTD (January-August)

Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Bozeman, MT	\$16,475,425	-3%	42,247	-1%
2	New York-Newark-Jersey City, NY-NJ-PA	\$2,536,142	-3%	8,264	+8%
3	Chicago-Naperville-Elgin, IL-IN-WI	\$1,841,971	0%	4,999	+3%
4	Los Angeles-Long Beach-Anaheim, CA	\$1,682,257	-9%	5,912	+2%
5	San Francisco-Oakland-Berkeley, CA	\$1,137,312	+2%	3,673	-4%
6	Seattle-Tacoma-Bellevue, WA	\$1,104,069	-18%	4,788	-8%
7	Boston-Cambridge-Newton, MA-NH	\$1,072,138	-10%	3,408	-11%
8	Minneapolis-St. Paul-Bloomington, MN-WI	\$953,161	-9%	7,274	+77%
9	Denver-Aurora-Lakewood, CO	\$920,427	-15%	4,709	-11%
10	Houston-The Woodlands-Sugarland, TX	\$872,664	-2%	2,689	+18%

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



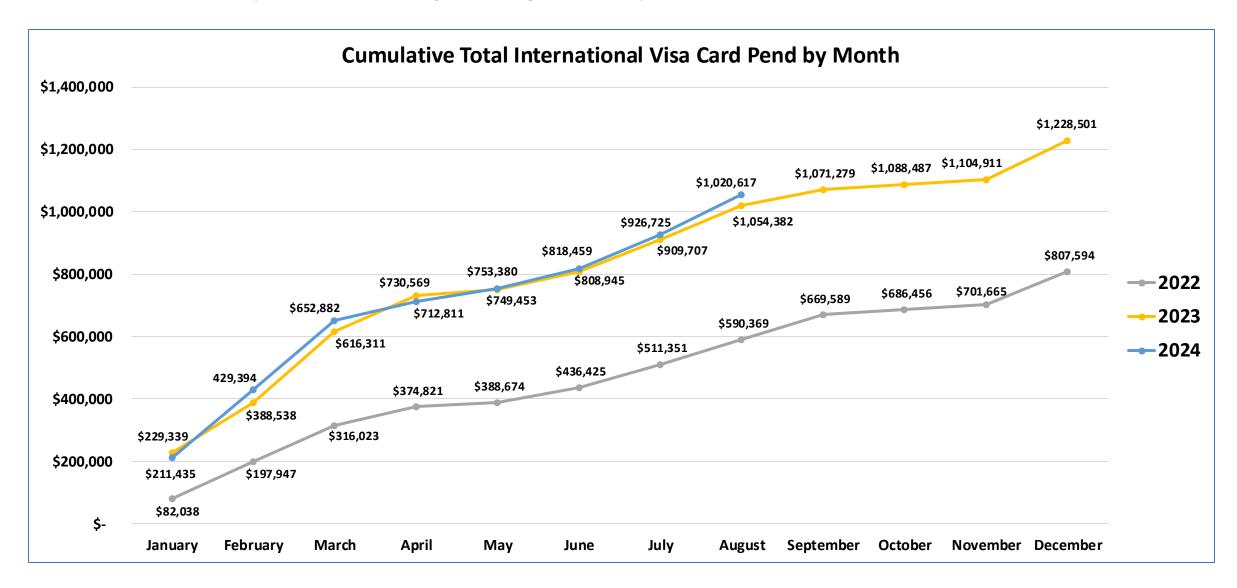
^ MONTANA ^



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



^ MONTANA ^



## VISA VUE – 2024 YEAR-TO-DATE VISA CARD SPEND VISIT BIG SKY

^ MONTANA ^

**DATA** - Spend by International Market 2024 YTD (January-August)

Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Canada	\$412,273	+5%	1,664	+14%
2	Australia	\$116,004	-27%	306	-7%
3	United Kingdom	\$66,500	-9%	260	+17%
4	Mexico	\$55,445	+12%	168	+33%
5	Germany	\$39,311	+22%	136	+28%
6	New Zealand	\$37,769	+1%	114	-8%
7	China (mainland)	\$26,669	+5%	115	+51%
8	Puerto Rico	\$25,756	-18%	42	-26%
9	Switzerland	\$23,967	+85%	55	+31%
10	Brazil	\$17,792	+108%	46	+77%

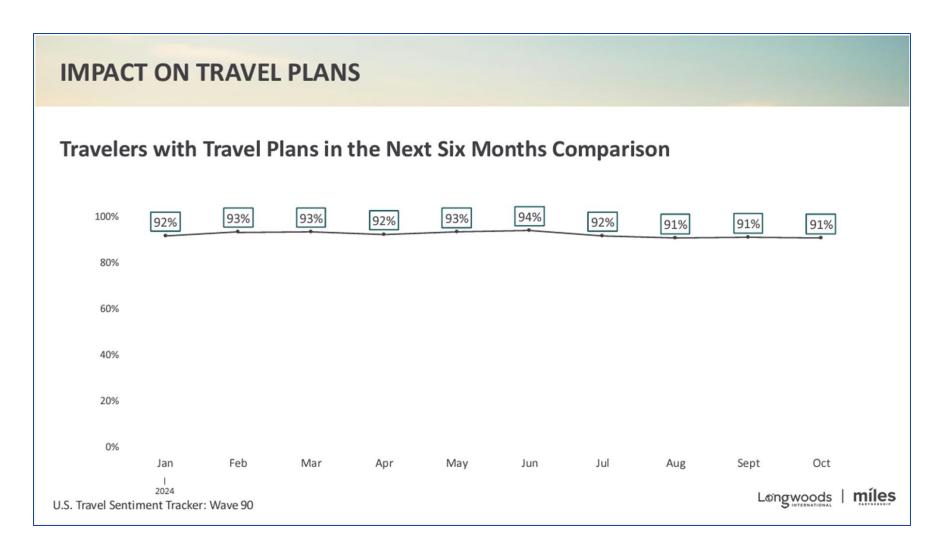


# CONSUMER SENTIMENT DATA

# LONGWOODS INTERNATIONAL



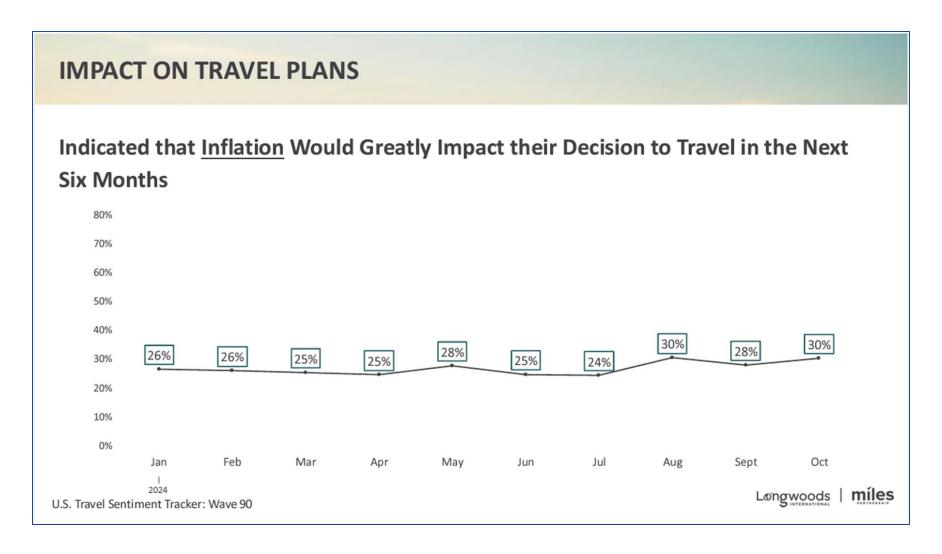








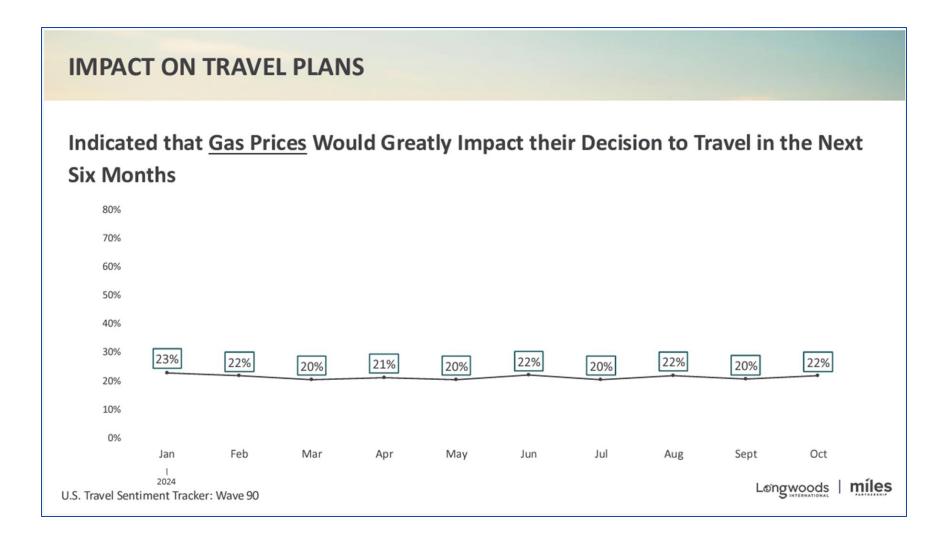




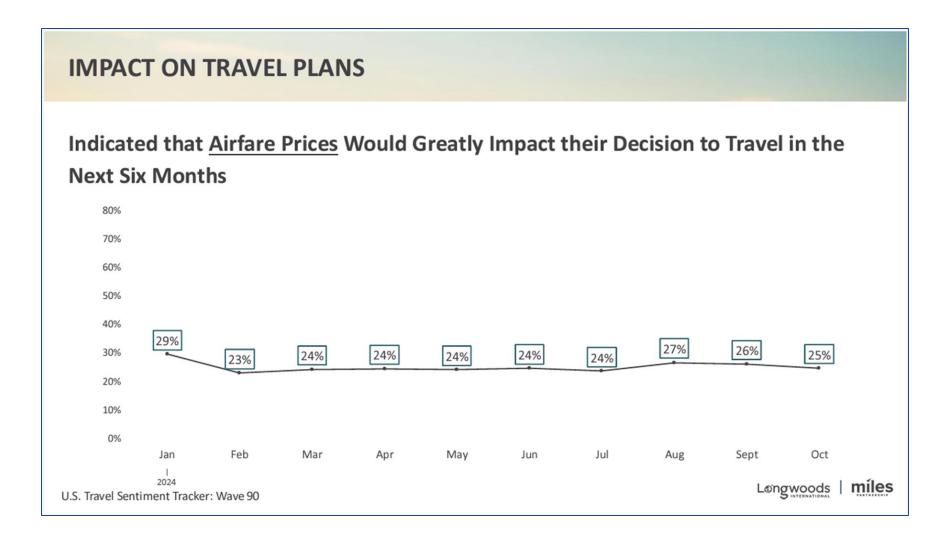








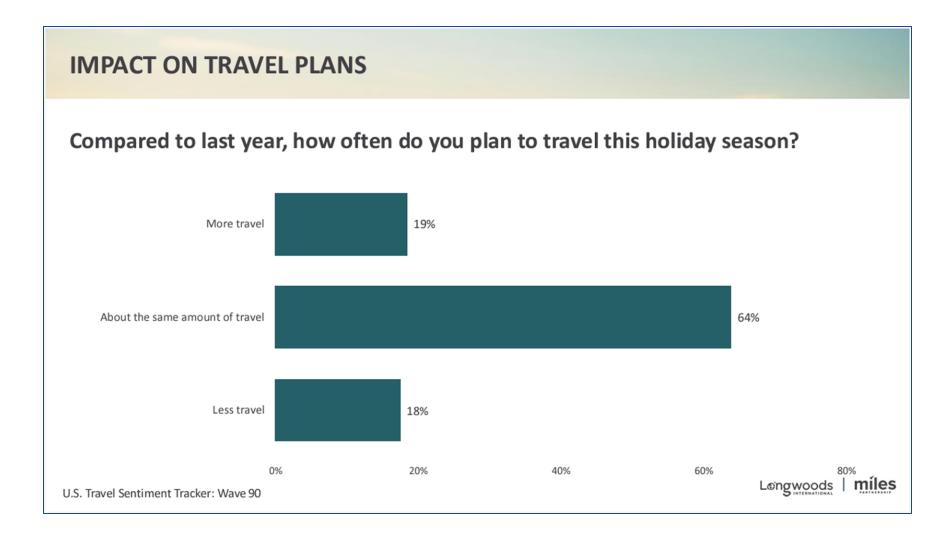




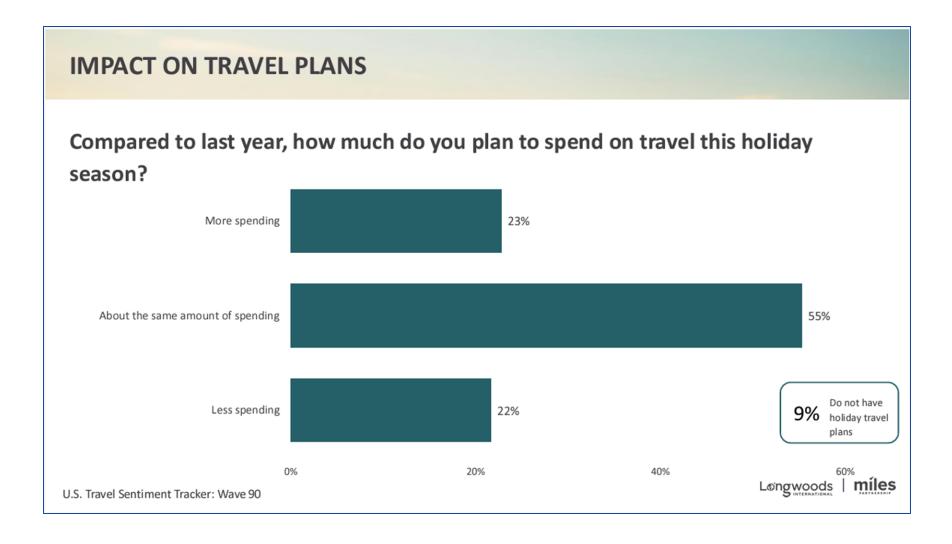












# BIGSKY

**BIG SKY & CHAMBER** 

