

**VISIT BIG SKY**  
^ MONTANA ^



**RESEARCH UPDATE**

**SEPTEMBER 2023  
REVIEW**

**BIG SKY CHAMBER | VISIT BIG SKY**



## Big Sky Travel & Tourism Trends

- The Bozeman Yellowstone International Airport continues to show strong performance this year, with total passengers Year-to-Date through September 2023 up by 9.0% YoY.
  - September 2023 saw an increase of 15.1% in Total Revenue Passengers compared to September 2022.
- There were 1,081 total Airbnb and Vrbo short term rental listings available in September in Big Sky, which is a YoY increase of 9.2%.
  - Demand remained healthy and Occupancy fell by just 1.5%, but Average Daily rate dropped by 10.8%, and RevPAR decreased by 12.2% compared to September of last year.
  - Because of the significant reduction in ADR, Total Revenue collected from these two short term rental channels totaled just \$8.1 million for the month of September, a decrease of 6.7% YoY.
- Professionally managed short-term rentals saw a slight lift in YoY Occupancy in September, and Average Daily Rate increased from \$456 to \$473.
- Visa consumer credit card spend in Big Sky continues to grow, with more than \$62.1 million being spent within Big Sky so far this year (Jan-September 2023).
  - *Note: Visa Destination Insights has not yet reported September data.*

## U.S. Market Review - Macroeconomic Trends

- Recent economic data continues to positively surprise despite persistent recession forecasts.
- The October jobs report released by the Bureau of Labor Statistics (BLS) shows 336,000 new jobs added to U.S. payrolls, a steep increase from the 227,000 added in August and well above the estimated 170,000 jobs economists expected.
  - This was the strongest month for new jobs in seven months, and the leisure and hospitality industry enjoyed some of the biggest gains.
- At the same time, wage growth slowed slightly. This signals that robust hiring numbers aren't translating into wage inflation just yet, and the Fed might be able to hold off on rate increases for a bit longer.
- September inflation remained unchanged from August's 3.7%, which sits above the Fed target of 2%. Core inflation, which strips out volatile food and energy prices, crept down to 4.1% from 4.3% in August.
- The economy may continue to cool moving into the holiday season as excess savings decrease and student loan payments resume in October and November.

## U.S. Hotel Performance Summary – September 2023

- The U.S. hotel industry reported higher performance results from the previous month, according to September 2023 from CoStar. CoStar is a leading provider of online real estate marketplaces, information and analytics in the property markets.
- September 2023 Statistics (percentage change from September 2022)
  - Occupancy: 66.2% (-0.5%)
  - Average Daily Rate: \$160.18 (+3.5%)
  - Revenue Per Available Room: \$106.07 (+2.9%)
- Top 25 Markets Summary
  - Among the Top 25 Markets, New York City experienced the highest occupancy level (87.6%), which was up 1.6% year over year.
  - Markets with the lowest occupancy for the month included New Orleans (53.0%) and Houston (59.5%).
  - The Top 25 Markets showed higher Occupancy than all other markets for the month of September 2023.

## U.S. Market Review – Short Term Rentals

- September U.S. short-term rental (STR) demand growth strongly accelerated to 12.2% on a year-over-year (YOY) basis, up from 7.8% the month prior. This boost cemented the reign of off-season demand, making good on pacing signals throughout 2023 that pointed to strong travel during this year's shoulder season. Demand figures weren't the only positives, either. Average daily rate (ADR) and booking growth also accelerated, and RevPAR ticked up after five months of small declines.
- Perhaps the most welcome shift in September performance is the return of occupancy levels closer to 2022 than 2019. At the beginning of the year, occupancy tracked squarely between 2019 and 2022 levels. Slightly lower occupancy year-over-year was a foregone conclusion in 2023, as the STR market rebalanced following the extreme highs that characterized the recovery from the immediate aftermath of the COVID-19 outbreak.
- Still, occupancy fell very close to 2022 levels beginning in May. In August, that trend shifted again, as occupancy dipped below 2019 levels for the first time since January 2021. Fortunately, this doesn't seem to be the start of a new pattern. In September, occupancy once again tracked closely with 2022.
- Key U.S. Short Term Rental Performance Metrics – September 2023
  - Occupancy was 1.2% lower YoY at 56.9% (+6.6% vs. 2019)
  - Average Daily Rate grew 2.6% YoY to \$312.51
  - RevPAR increased 1.4% YoY to \$177.74
  - Total Available Listings reached 1.56 million, up 14.5% YoY
  - Total Demand (nights sold) rose 12.2% YoY

# AIRPORT DATA



# BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT AIRPORT NON-STOP DESTINATIONS

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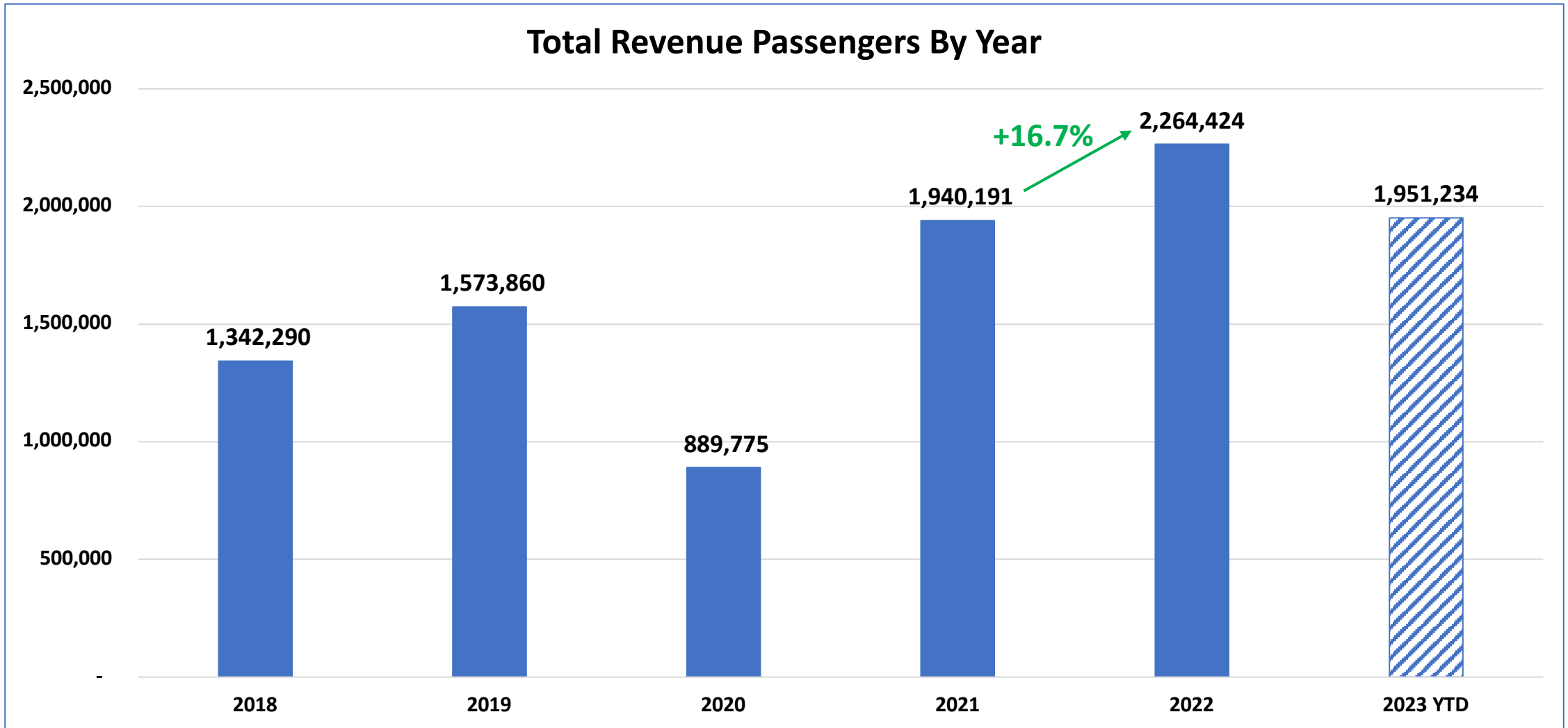
# BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT - TOTAL PASSENGERS YEAR-TO-DATE

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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		167,851		156,192	
November		132,939		117,516	
December		174,170		165,268	
<b>Year-to-Date</b>	<b>1,951,234</b>	<b>1,789,464</b>	<b>+9.0%</b>	<b>1,501,215</b>	<b>+30.0%</b>
<b>Total</b>		<b>2,264,424</b>		<b>1,940,191</b>	



# BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT - YEARLY TOTAL PASSENGERS



(Jan-Sept 2023)

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**AIRDNA  
DATA**

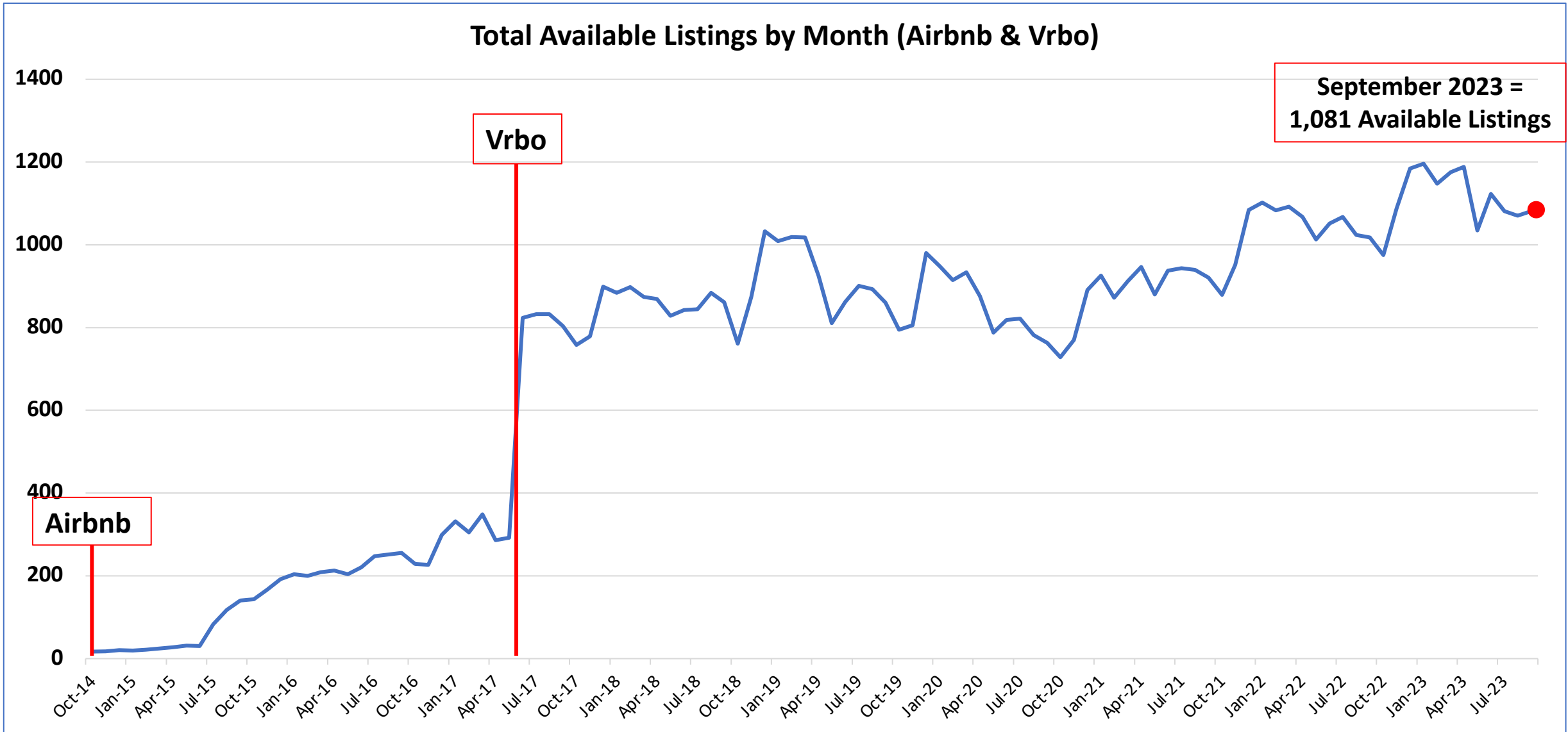


# AIRDNA SHORT TERM RENTAL (INCLUDES AIRBNB & VRBO LISTINGS) DEFINITIONS

## 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.

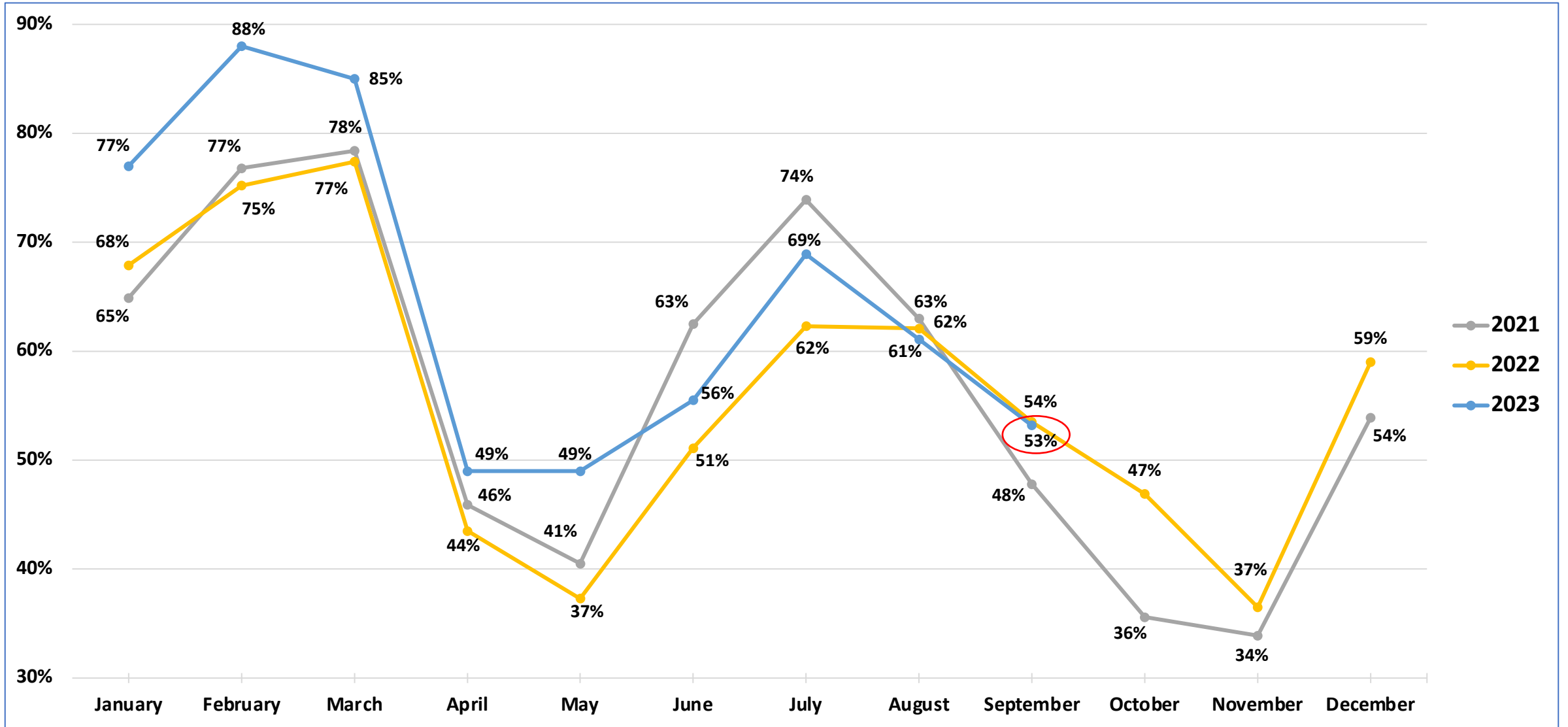
# AIRDNA SHORT TERM RENTAL DATA (Airbnb & Vrbo)



Source: AirDNA (Includes Airbnb and Vrbo data)

# AIRDNA – OCCUPANCY (%) BY MONTH

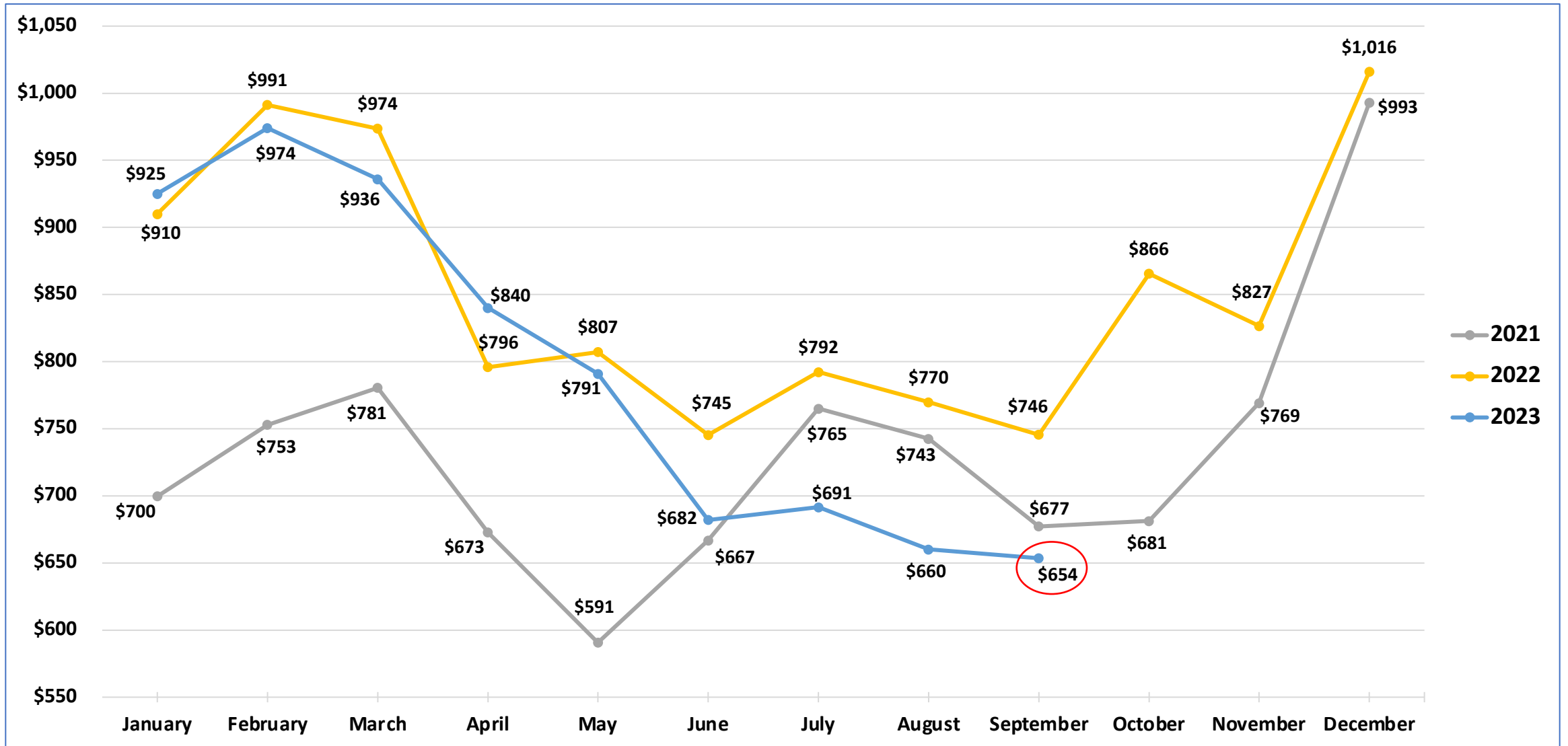
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Source: AirDNA (Includes Airbnb and Vrbo data)

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

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**KEY DATA**  
**DATA**



# KEY DATA DIRECT SOURCE LODGING PARTNERS



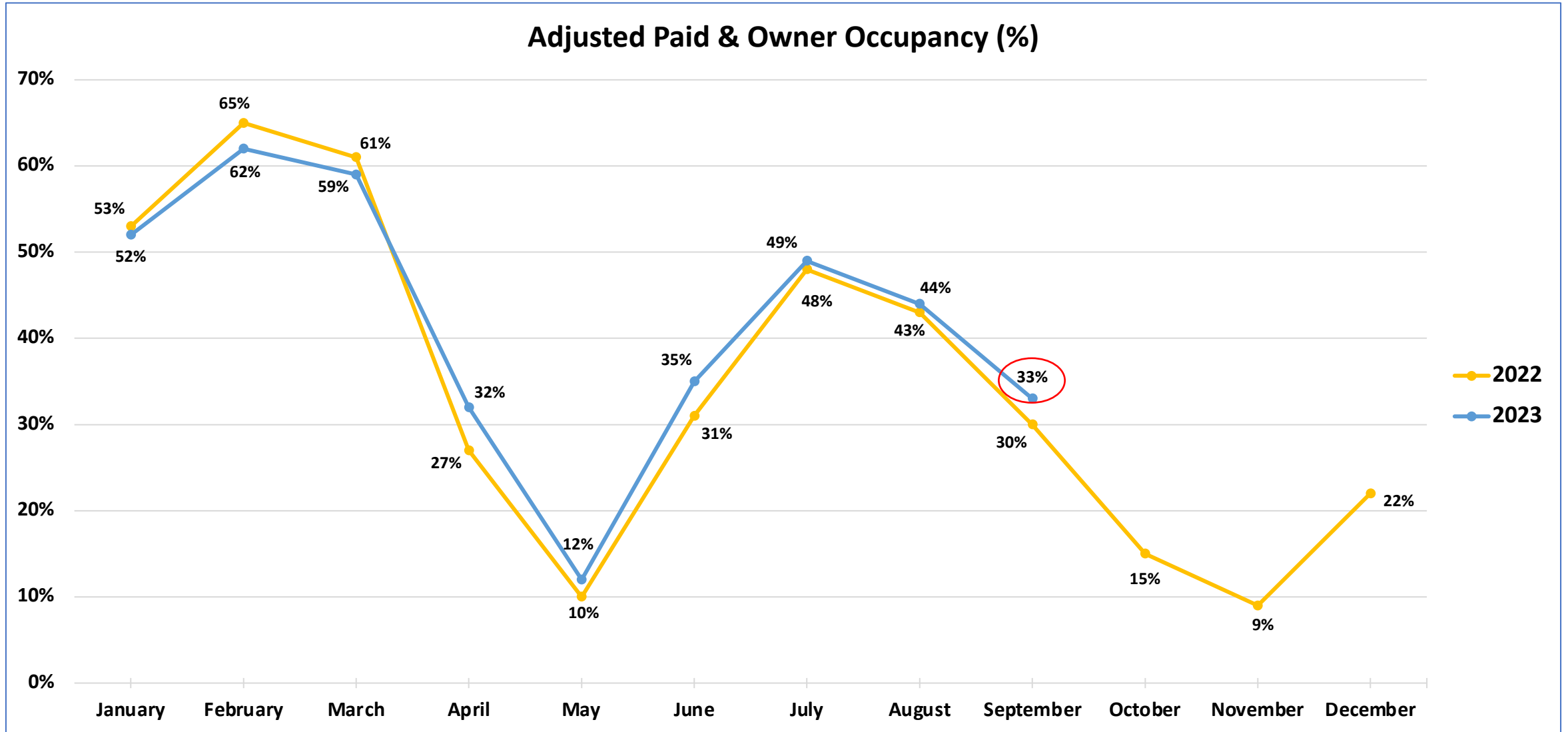
- Key Data currently partners with 12 Big Sky property management companies and hotels.
  - In total, this represents ~1,439 rental units in the Big Sky area.
  - All figures in the following slides are taken exclusively from the following 12 property management companies and hotels:
    - Big Sky Vacation Rentals, Gather Vacations, Big Sky Resort, Wilson Peak Properties, Two Pines, Moonlight Basin, Natural Retreats, VillaStay Vacation Rentals, EVOLVE, Stay Montana, The Montage, 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

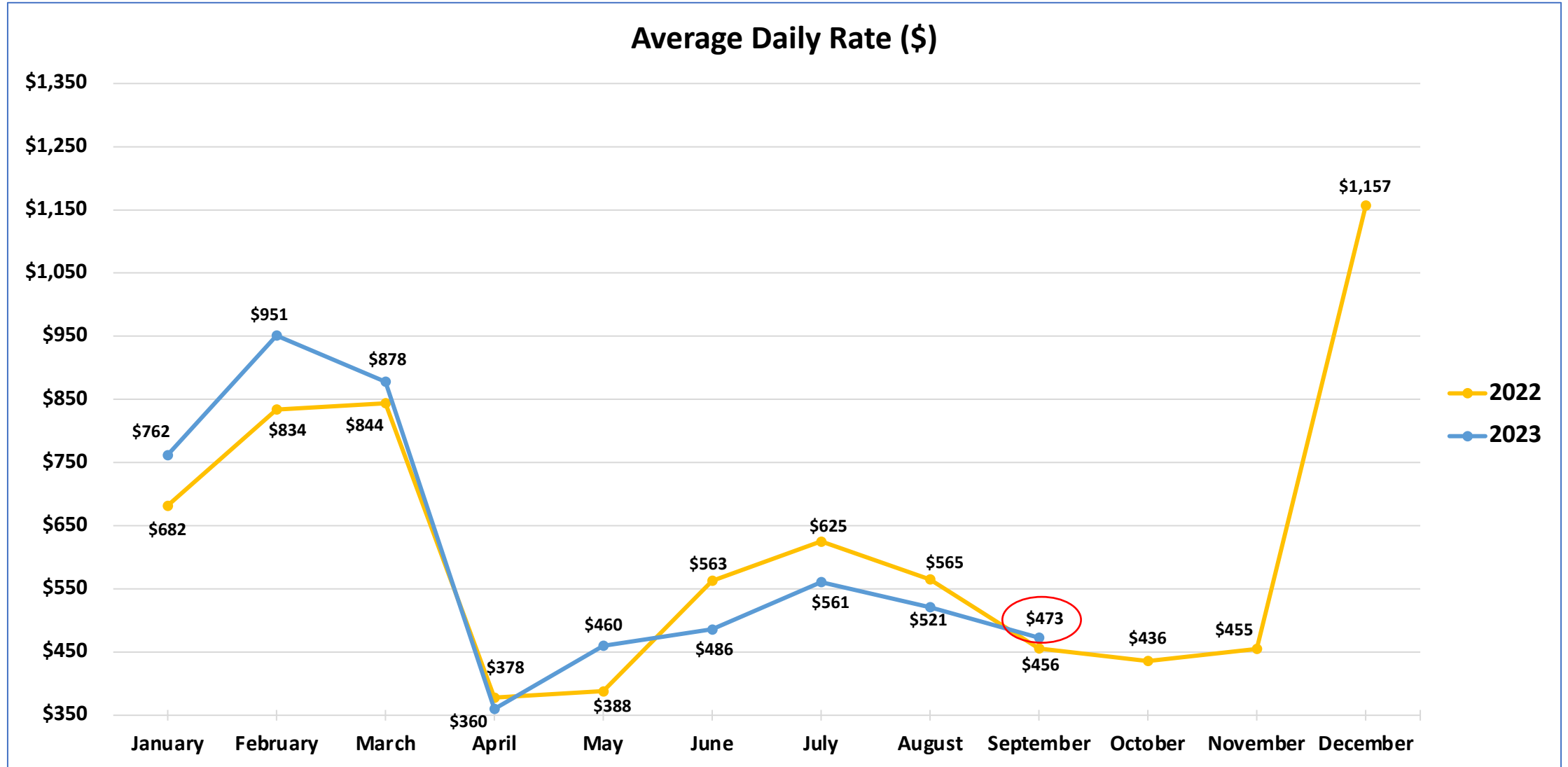
- **Average Daily Rate (ADR)** - The average Unit Revenue paid by guests for all the Nights Sold in a given period. ADR, along with the property's Occupancy, are the foundations for the property's financial performance.
  - = Total Unit Revenue / Nights Sold
- **Adjusted Paid & Owner Occupancy** - The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



Source: AirDNA (Includes Airbnb and Vrbo data)

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



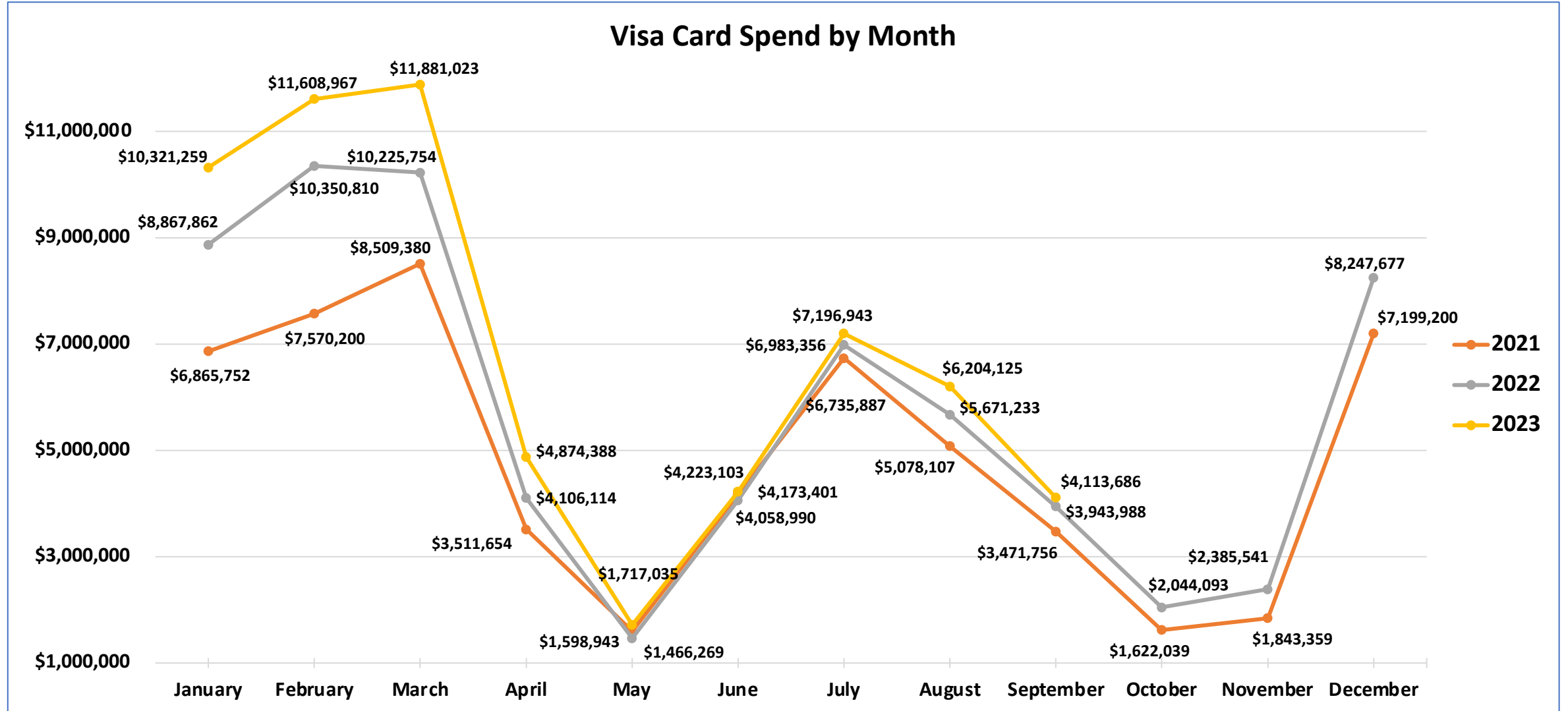
Source: AirDNA (Includes Airbnb and Vrbo data)

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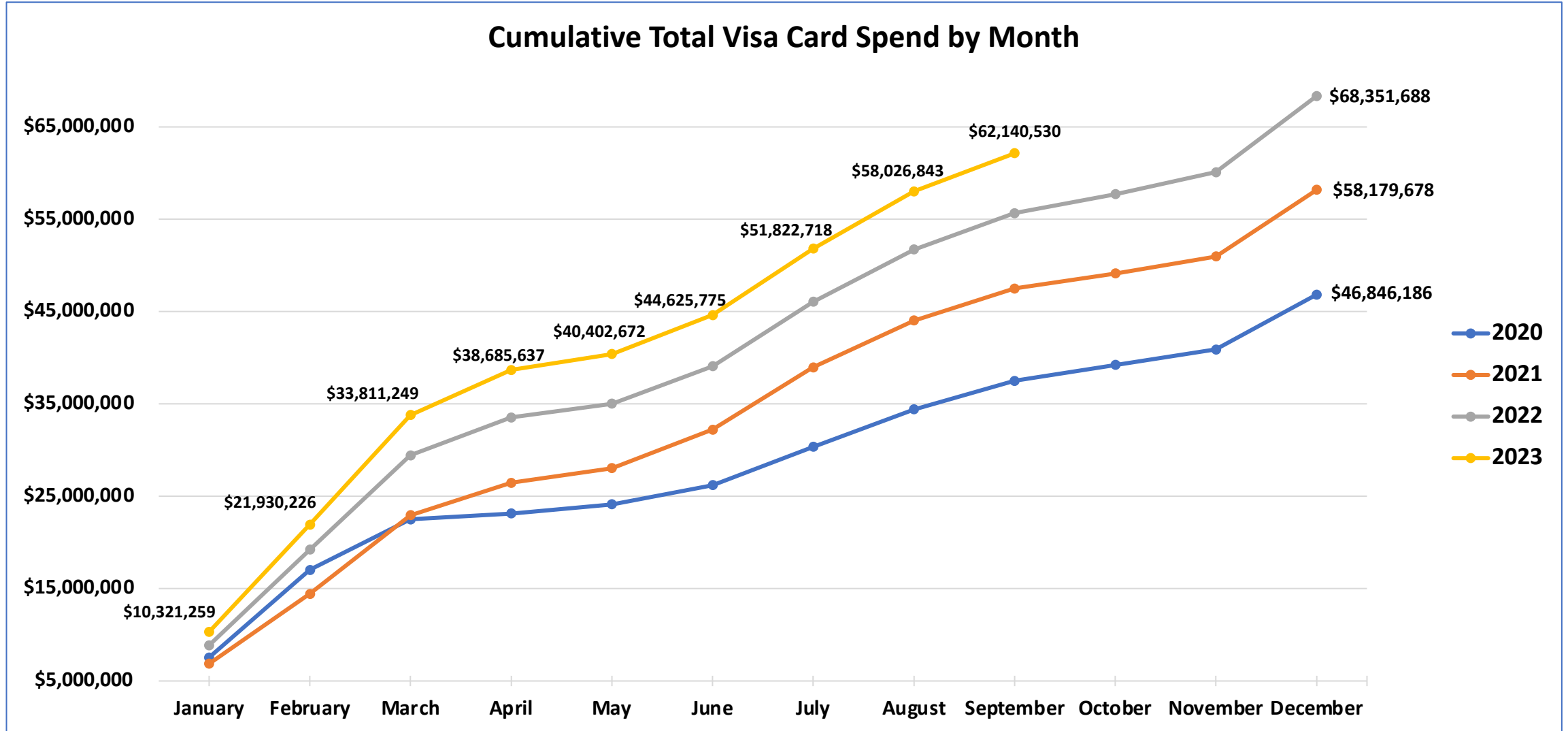
# VISA DESTINATION INSIGHTS



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



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

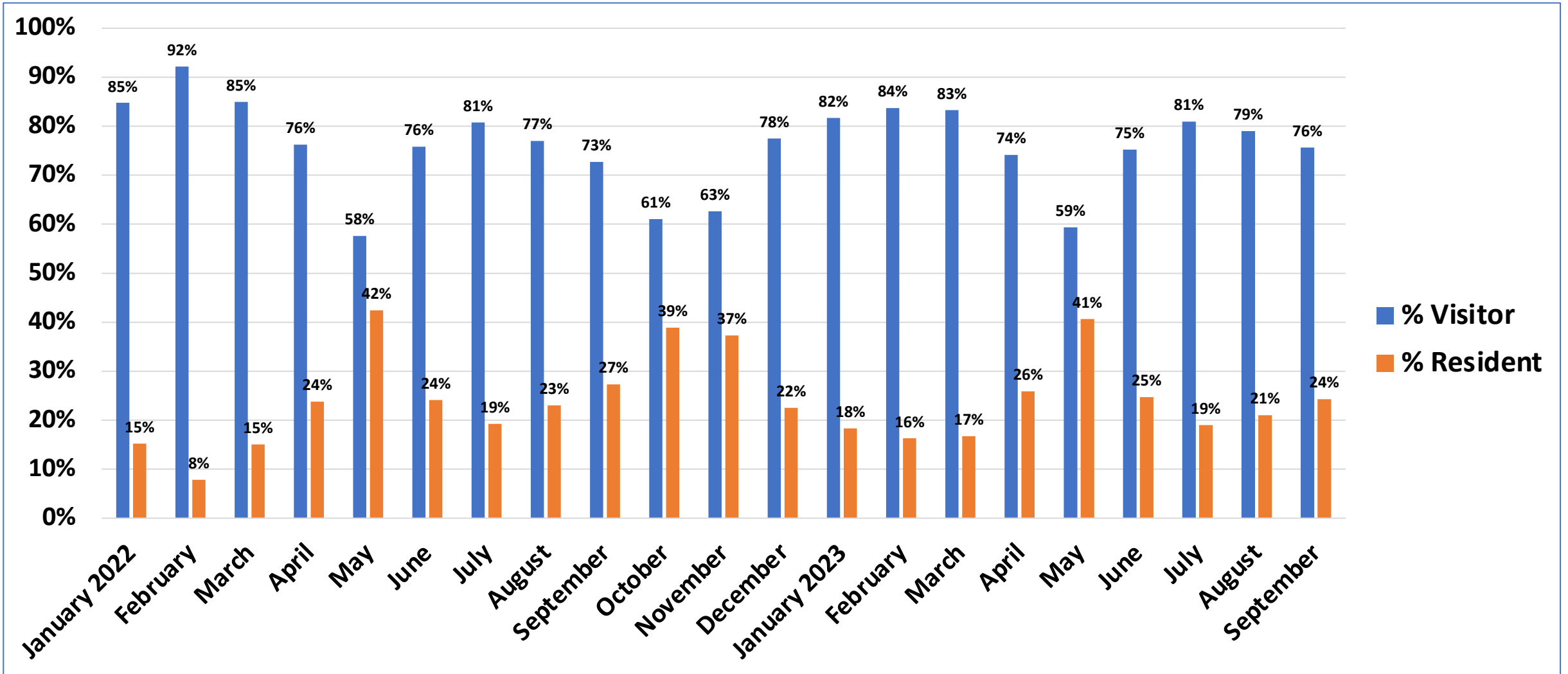


# VISA VUE – 2023 YEAR-TO-DATE VISA CARD SPEND DATA (Spend by Market January – September 2023)



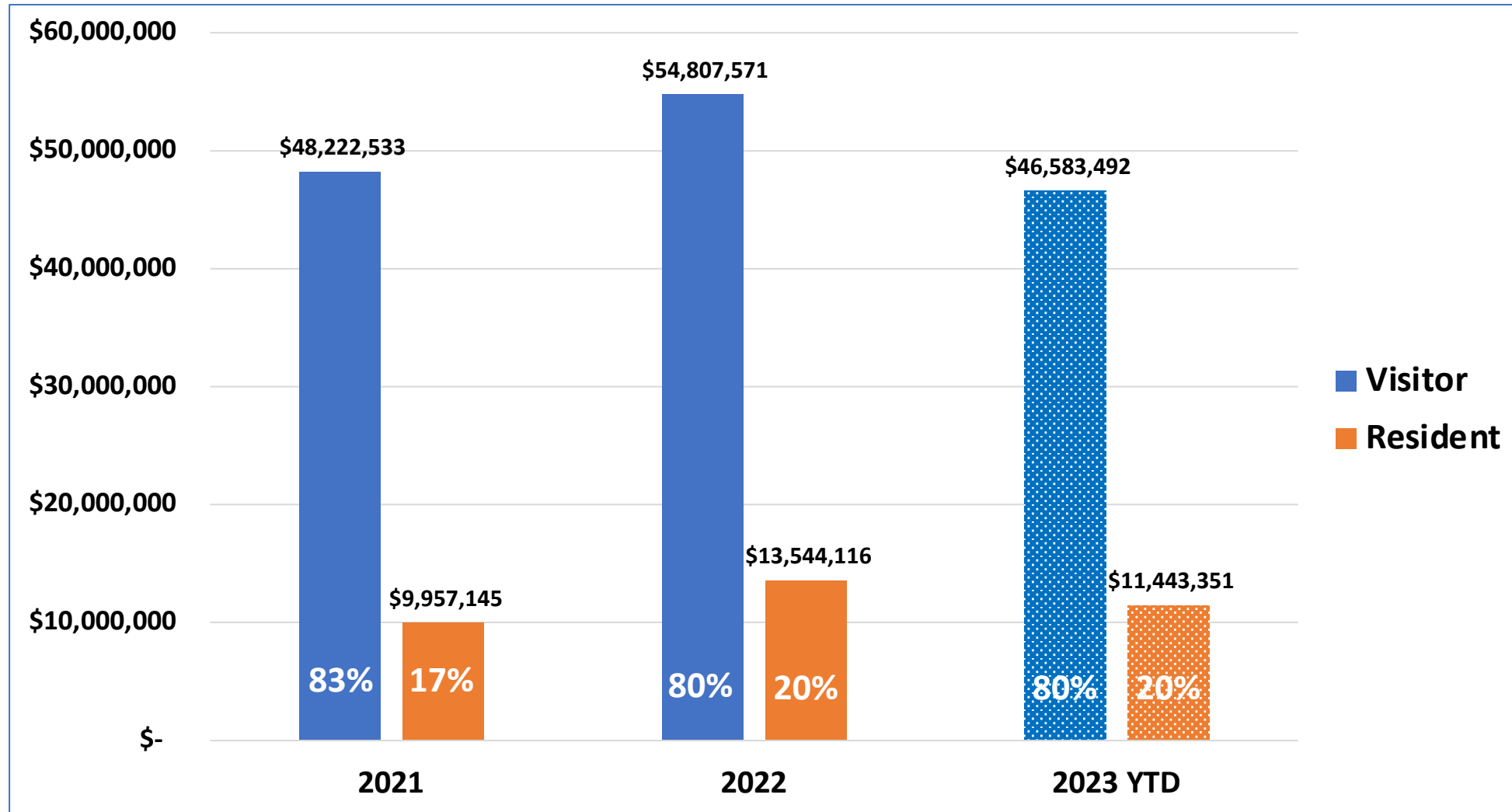
Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Bozeman, MT	\$18,509,186	+19%	45,321	+13%
2	New York-Newark-Jersey City, NY-NJ-PA	\$2,691,672	+10%	7,970	+5%
3	Los Angeles-Long Beach-Anaheim, CA	\$1,931,011	+17%	6,157	+3%
4	Chicago-Naperville-Elgin, IL-IN-WI	\$1,927,030	+19%	5,153	+10%
5	Seattle-Tacoma-Bellevue, WA	\$1,418,701	+12%	5,552	+7%
6	Boston-Cambridge-Newton, MA-NH	\$1,240,328	+20%	4,024	+13%
7	San Francisco-Oakland-Berkeley, CA	\$1,160,242	+4%	4,002	0%
8	Denver-Aurora-Lakewood, CO	\$1,158,146	+18%	5,625	+8%
9	Minneapolis-St. Paul-Bloomington, MN-WI	\$1,117,806	-5%	4,422	-10%
10	Washington-Arlington-Alexandria, DC-VA-MD	\$985,502	+24%	2,779	+1%

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



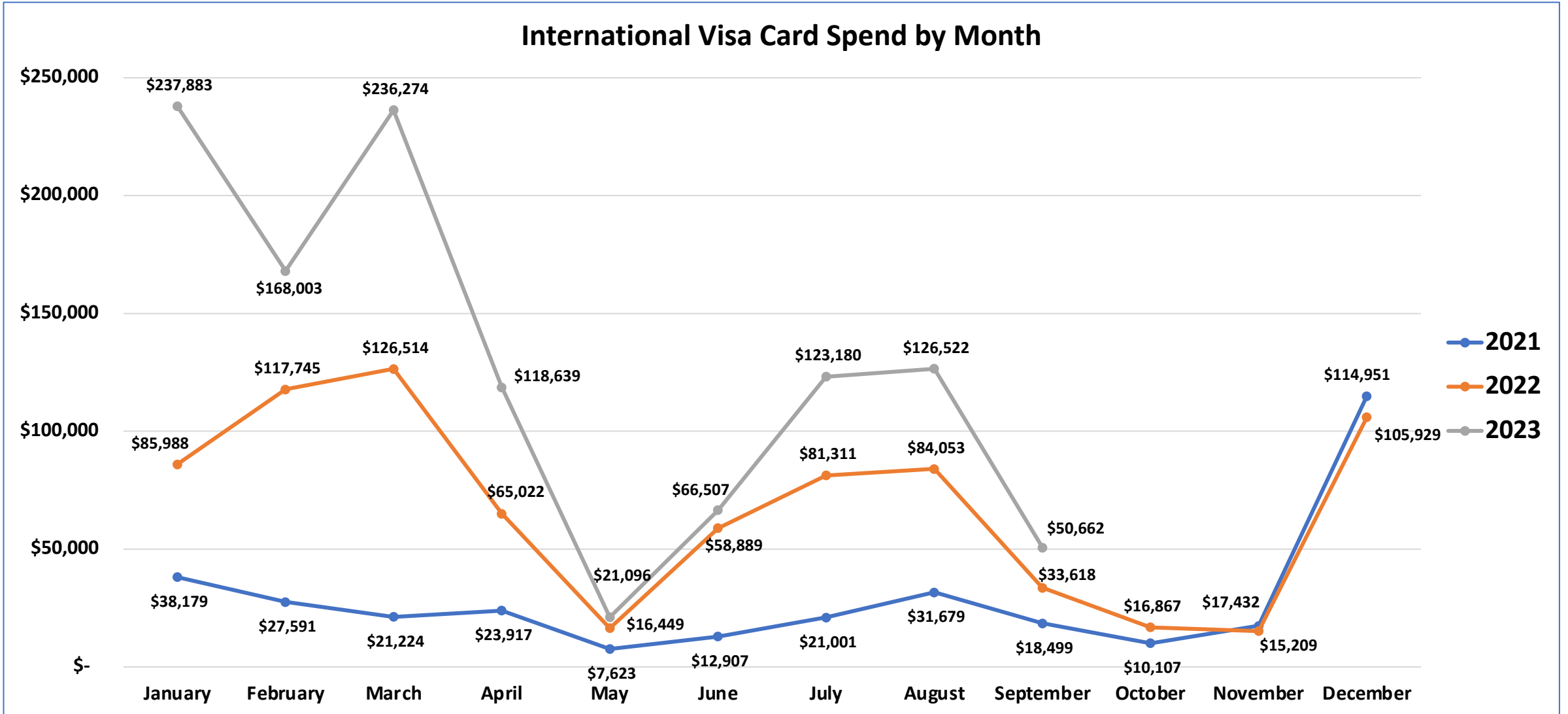


# VISA CARD SPEND ANALYSIS BY YEAR: TOTAL ANNUAL SPEND - VISITORS VS. RESIDENTS

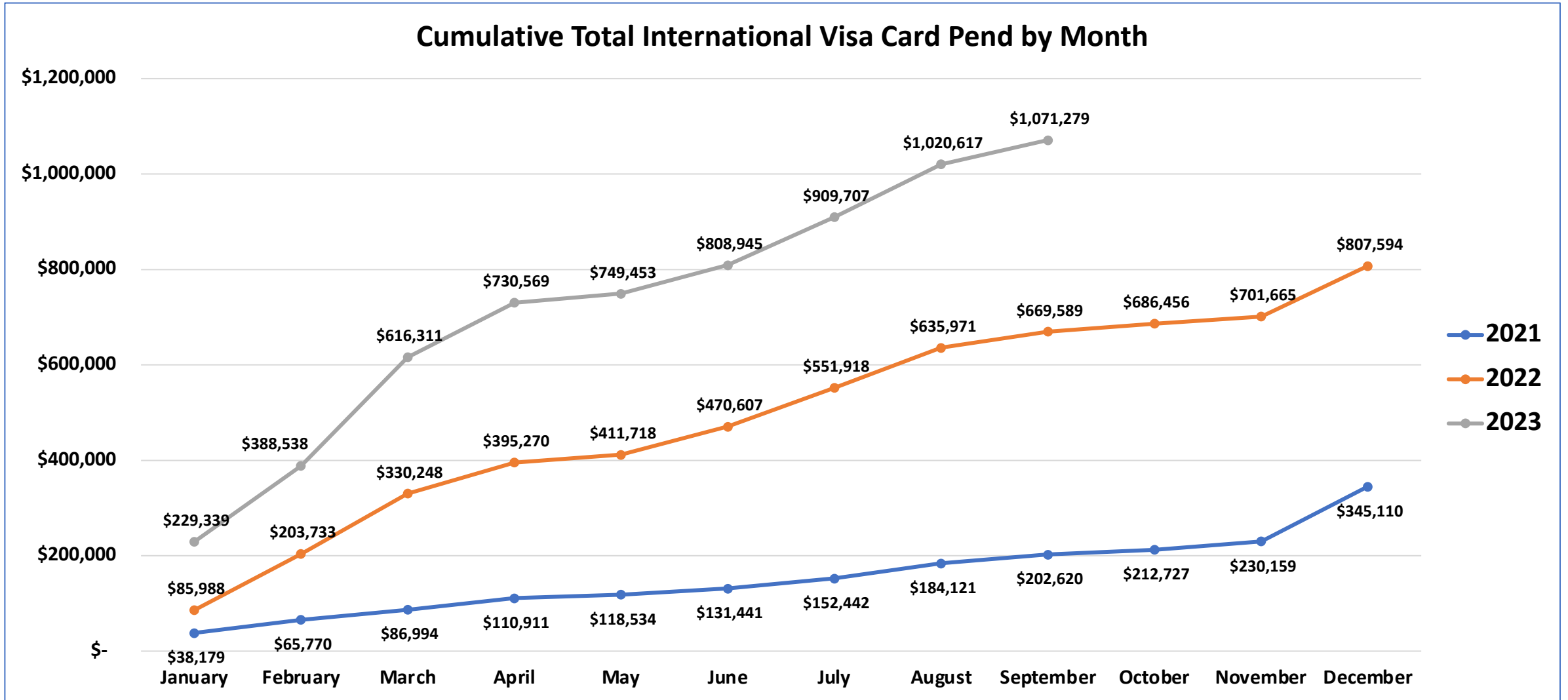


(January – September)

# 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 – September 2023)

Rank	Market	Total Spend	YoY Change %	Card Count	YoY Change %
1	Canada	\$416,838	+73%	1,585	+59%
2	Australia	\$168,324	+184%	361	+149%
3	United Kingdom	\$75,251	+44%	235	+17%
4	Mexico	\$50,339	+178%	132	+61%
5	New Zealand	\$37,726	+939%	128	+510%
6	Puerto Rico	\$33,764	+10%	62	+38%
7	Germany	\$32,910	+40%	118	+11%
8	China (Mainland)	\$25,573	+136%	78	+66%
9	Chile	\$21,572	+770%	34	+162%
10	Switzerland	\$14,556	-2%	49	+29%

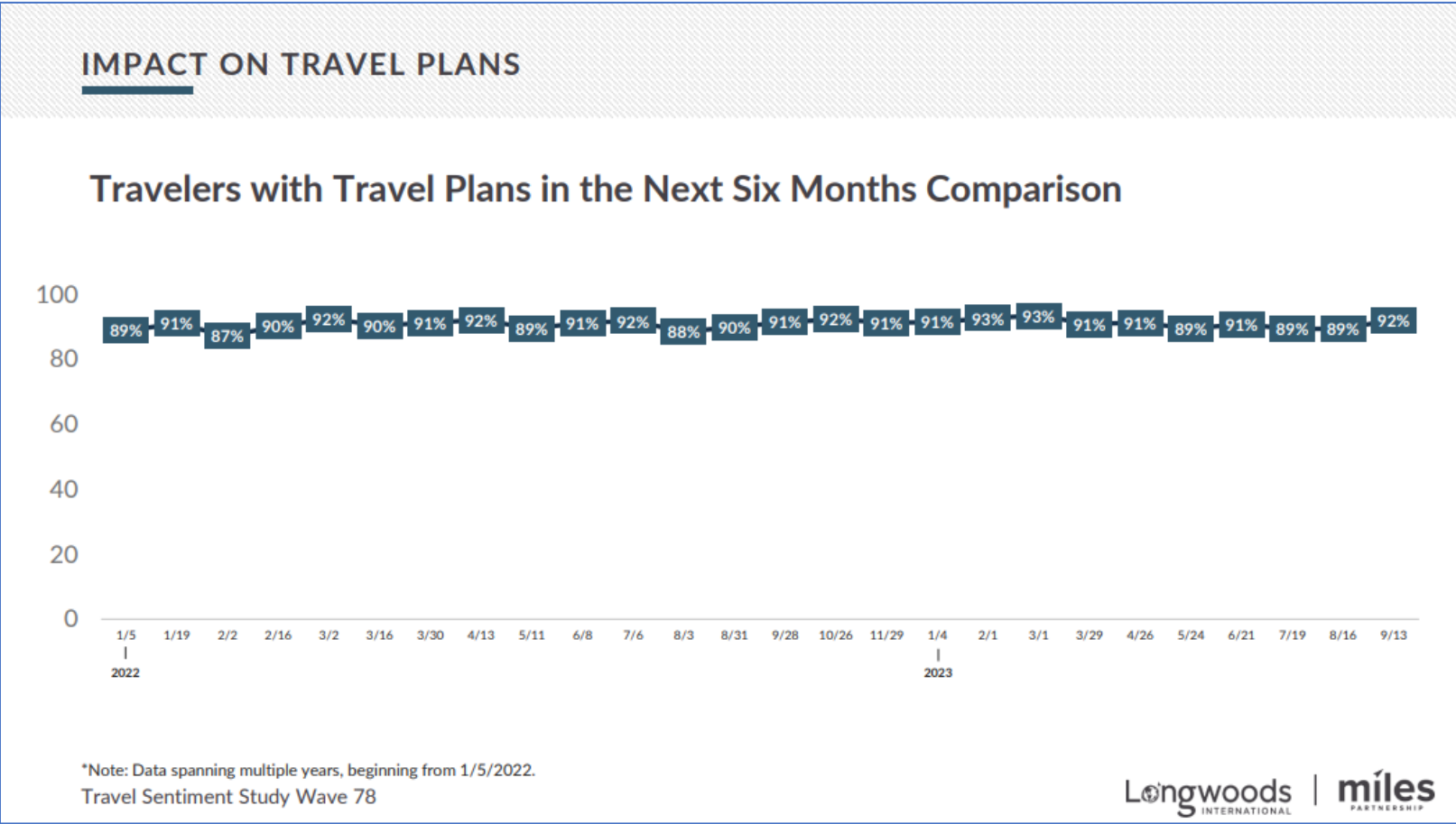
**CONSUMER  
SENTIMENT DATA**

**LONGWOODS  
INTERNATIONAL &  
FUTURE PARTNERS**



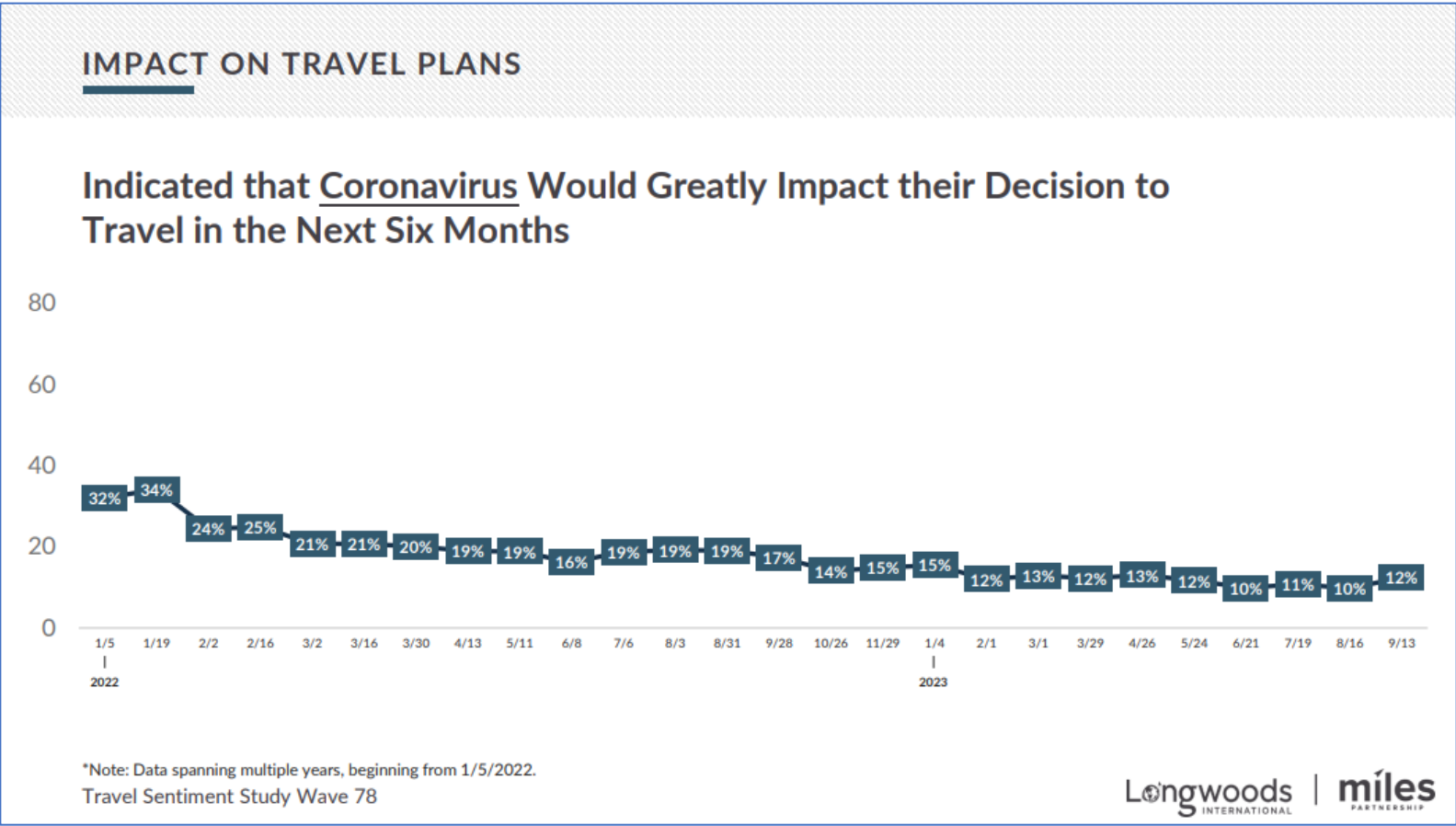
# TRAVEL SENTIMENT STUDY WAVE 78

\*Survey fielded September 13, 2023; US National Sample of 1,000 adults 18+



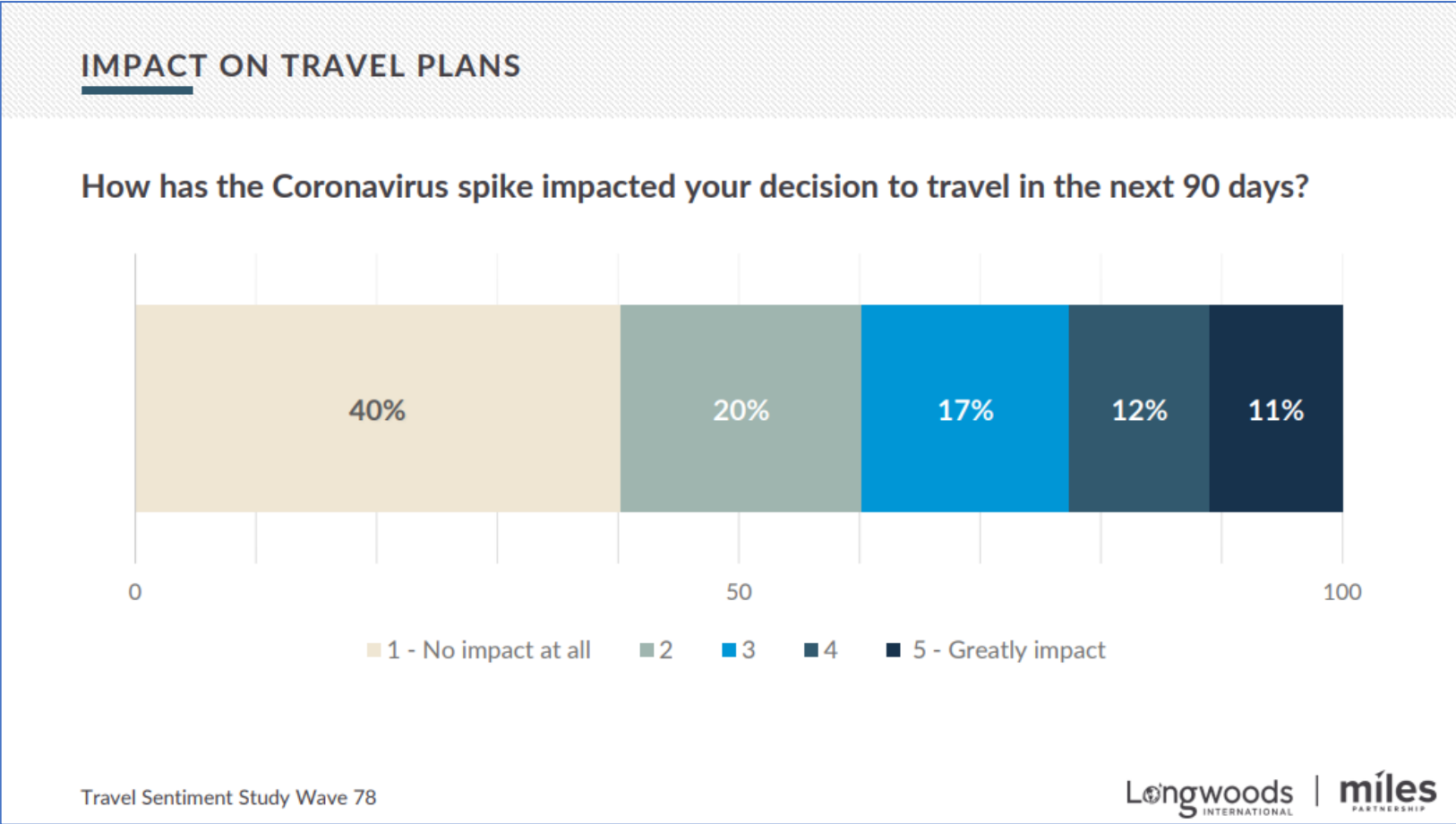
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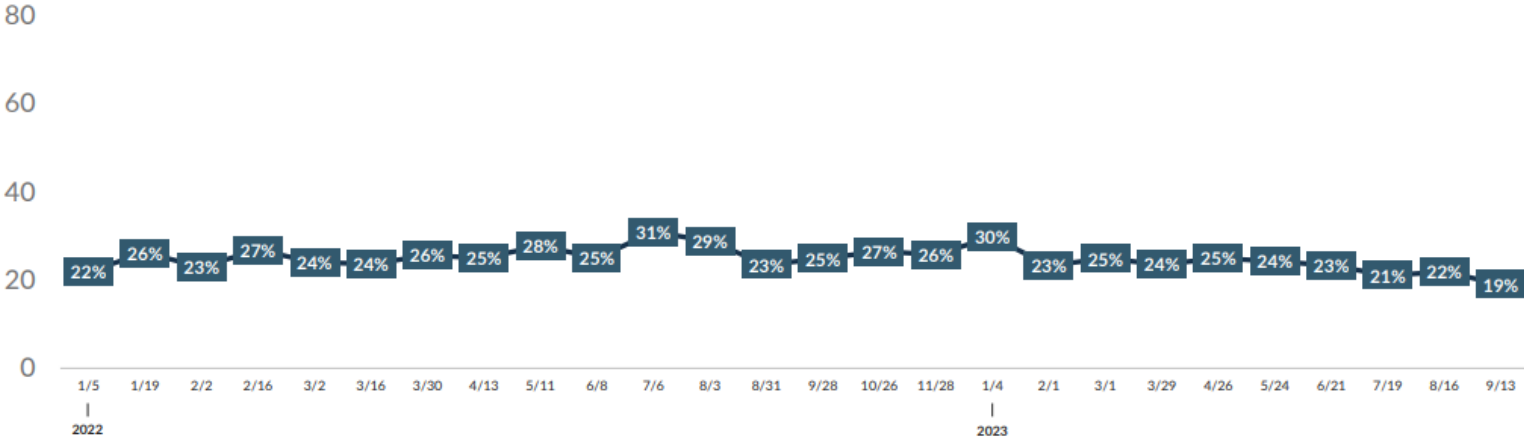


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## IMPACT ON TRAVEL PLANS

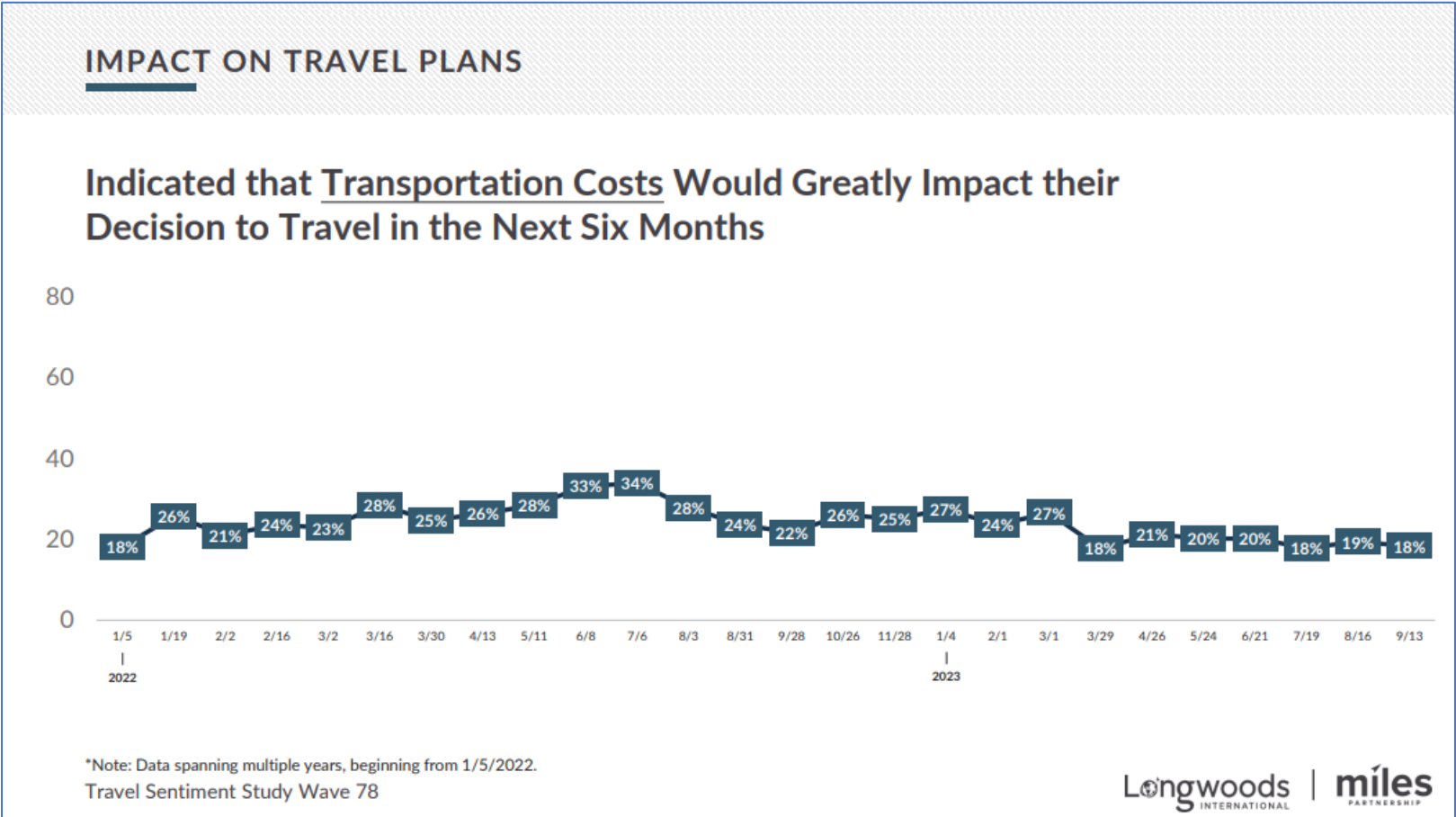
Indicated that Concerns About Personal Financial Situation Would Greatly Impact their Decision to Travel in the Next Six Months



\*Note: Data spanning multiple years, beginning from 1/5/2022.  
Travel Sentiment Study Wave 78

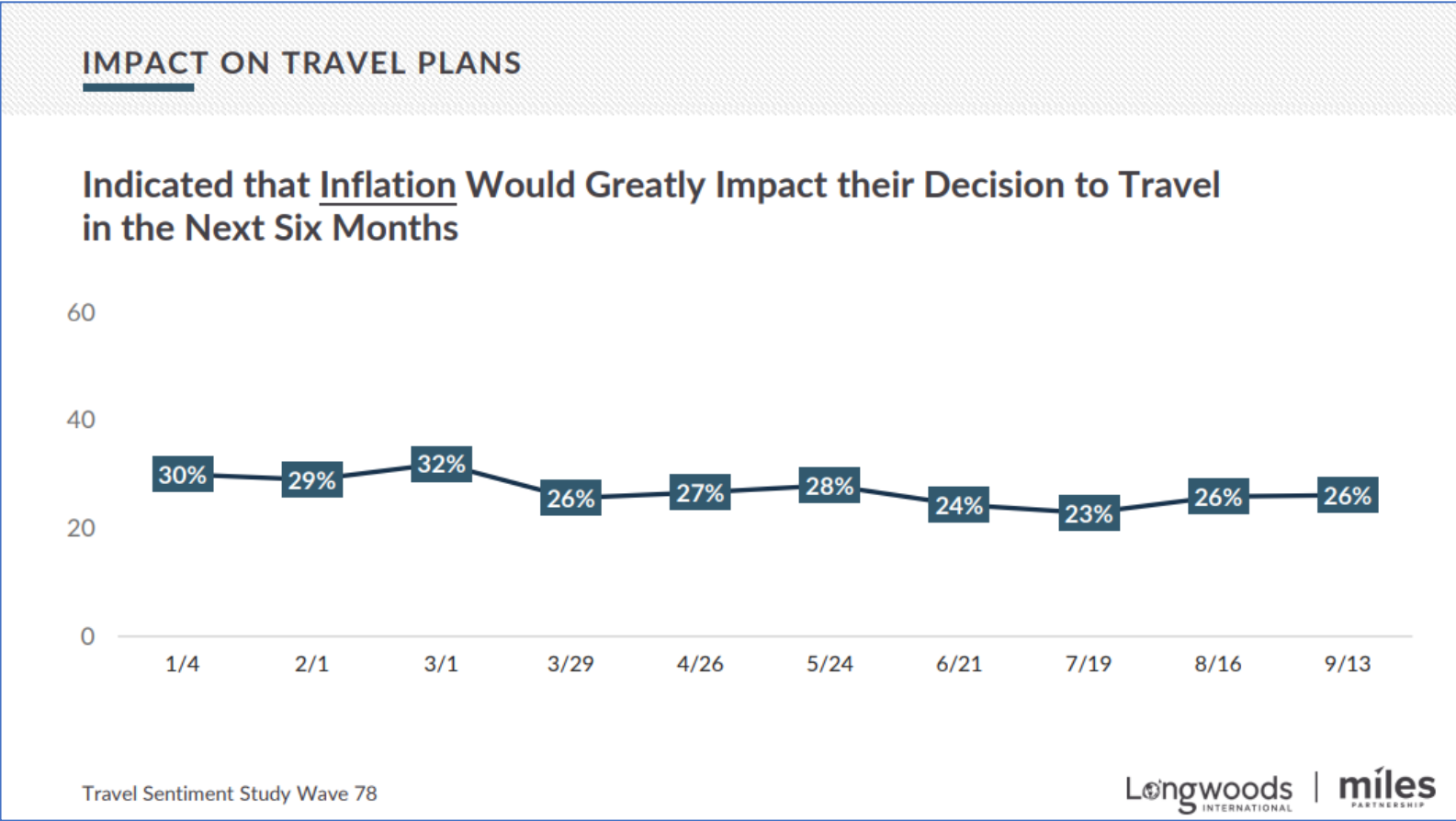
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Source: Longwoods International

# STATE OF THE AMERICAN TRAVELER

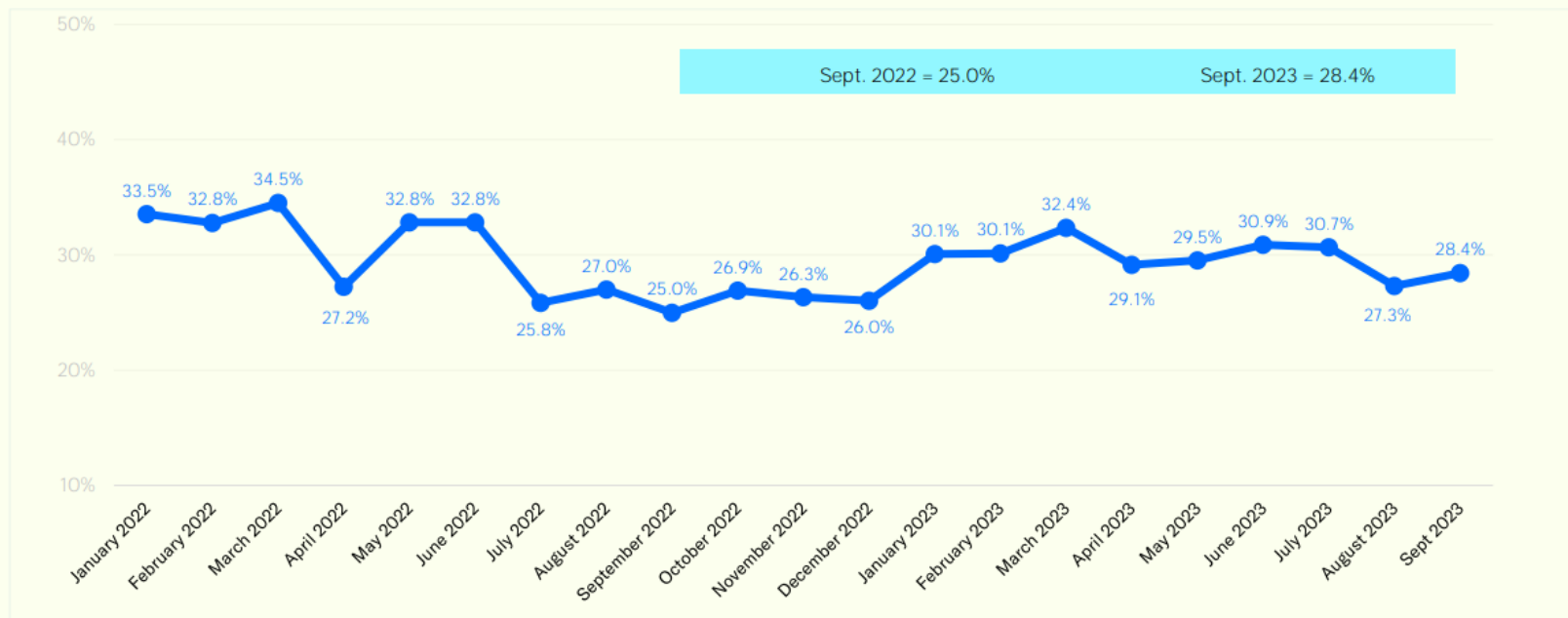
\*Survey fielded September 17-21, 2023; Representative sample of adult American travelers; N = 4,000+

## There has been a Small Improvement in Financial Sentiment this Month—and Year-Over-Year

Question:

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

% Better off or Much better off



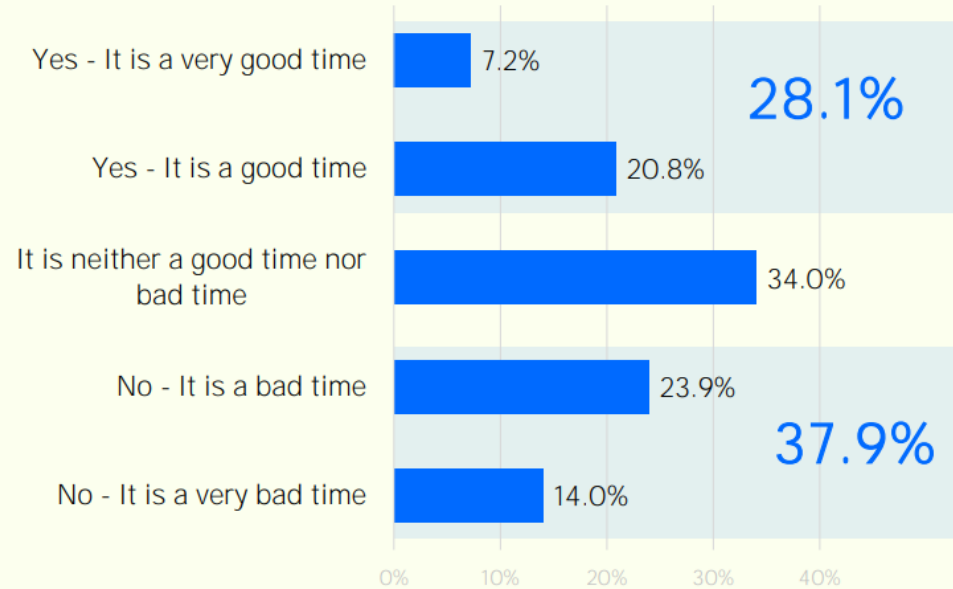
Future Partners The State of the American Traveler, October 2023

# STATE OF THE AMERICAN TRAVELER

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## The Belief that Now is a Bad Time to Spend on Travel Remains Elevated...

Question:  
Thinking only of your household's finances, do you feel NOW is a good or bad time for you to spend money on leisure travel?



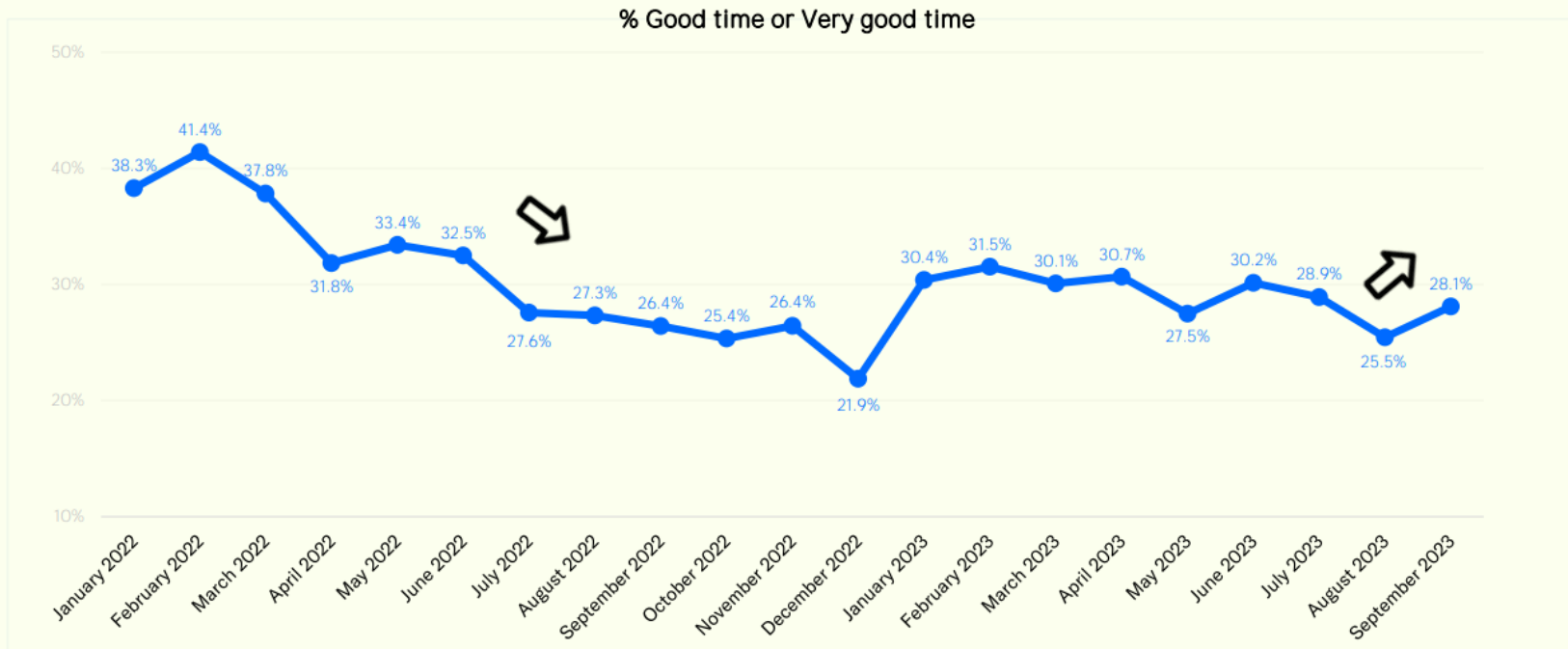
# STATE OF THE AMERICAN TRAVELER

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## But Positive Feelings Toward Travel Spending did Rebound this Month

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**Future Partners** The State of the American Traveler, October 2023

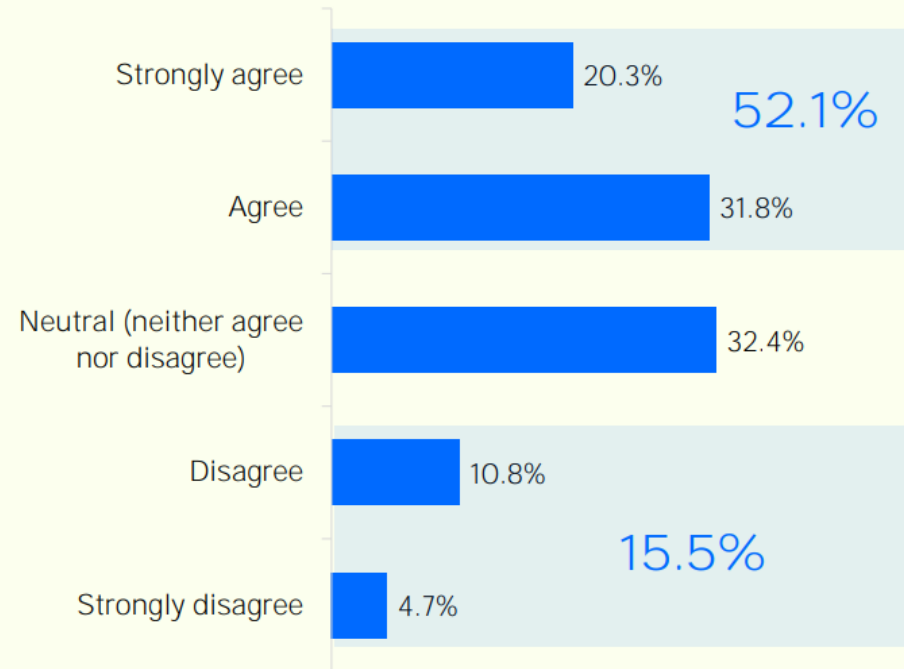
# STATE OF THE AMERICAN TRAVELER

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## A Significant Sense of Economic Uncertainty Exists...

Question:

I expect the United States will enter an economic recession sometime in the NEXT SIX (6) MONTHS.



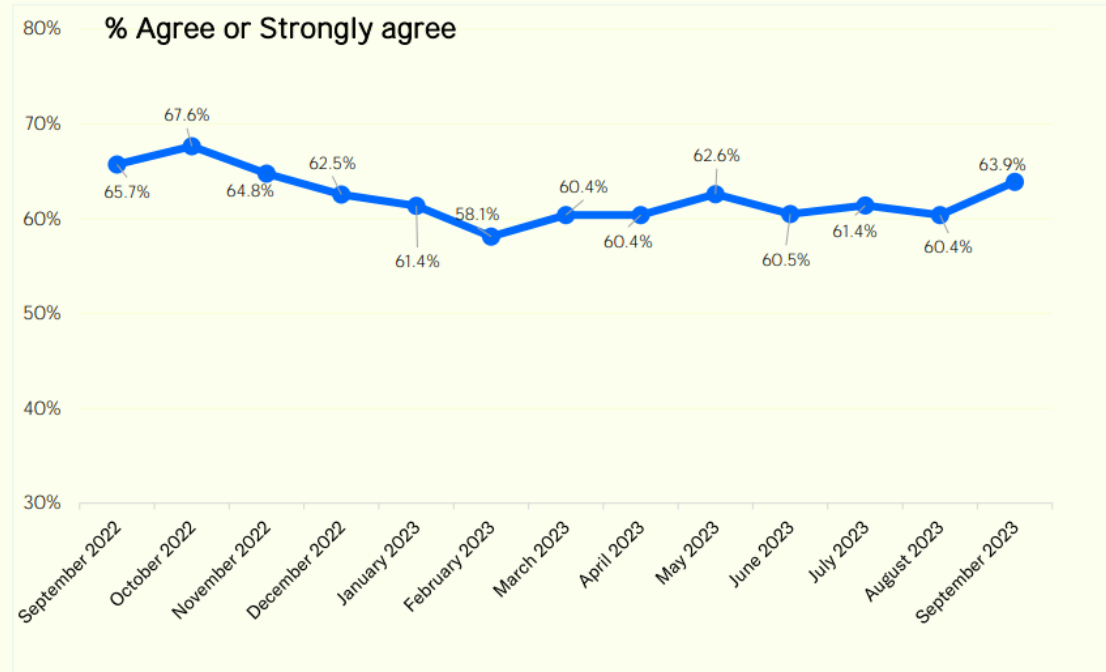
# STATE OF THE AMERICAN TRAVELER

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## This Spending Caution Worsened this Month

Statement:

Right now, I am being careful with my money because I'm concerned about an upcoming recession.



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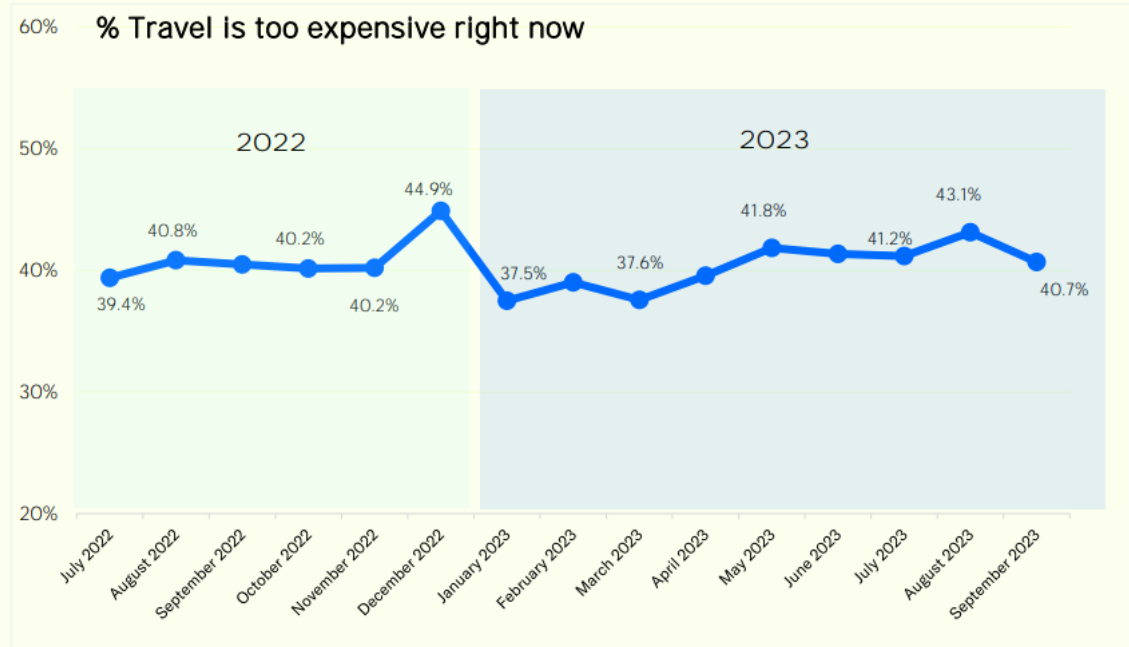
# STATE OF THE AMERICAN TRAVELER

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## There was Slight Improvement in Travel being too Expensive Acting as a Deterrent

### Question:

In the PAST SIX (6) MONTHS, which (if any) of the following have kept you from traveling more than you would have otherwise preferred? (Select all that apply)



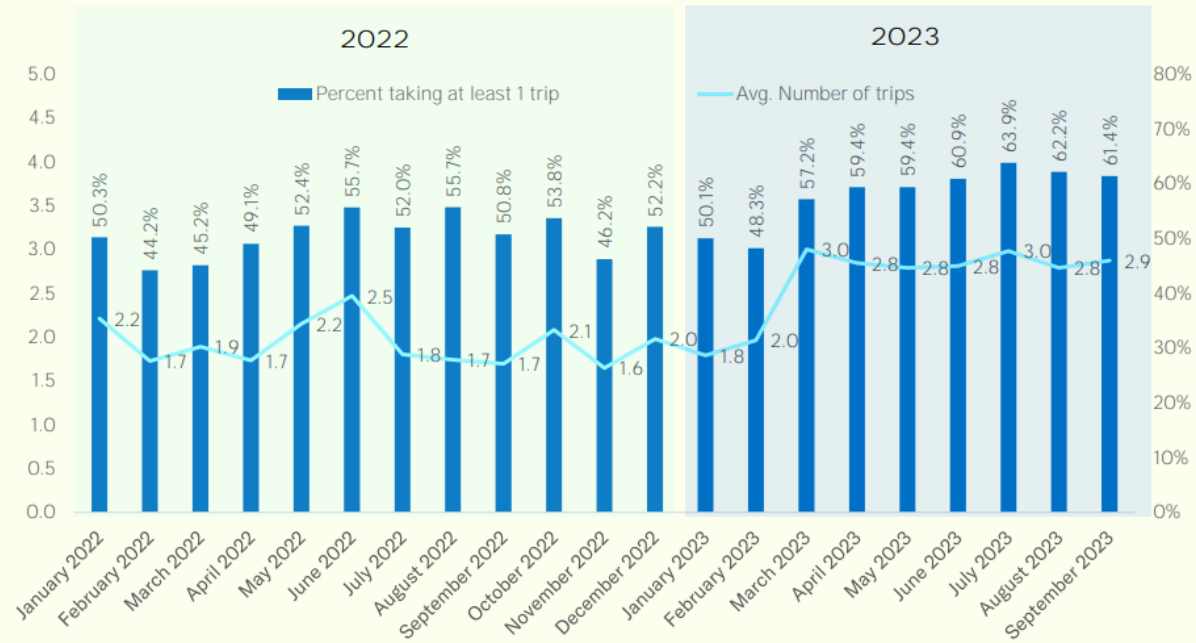
# STATE OF THE AMERICAN TRAVELER

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## Still, Overnight Trip Volume Remains Robust

Question:

How many OVERNIGHT trips of each type have you taken in the PAST MONTH?



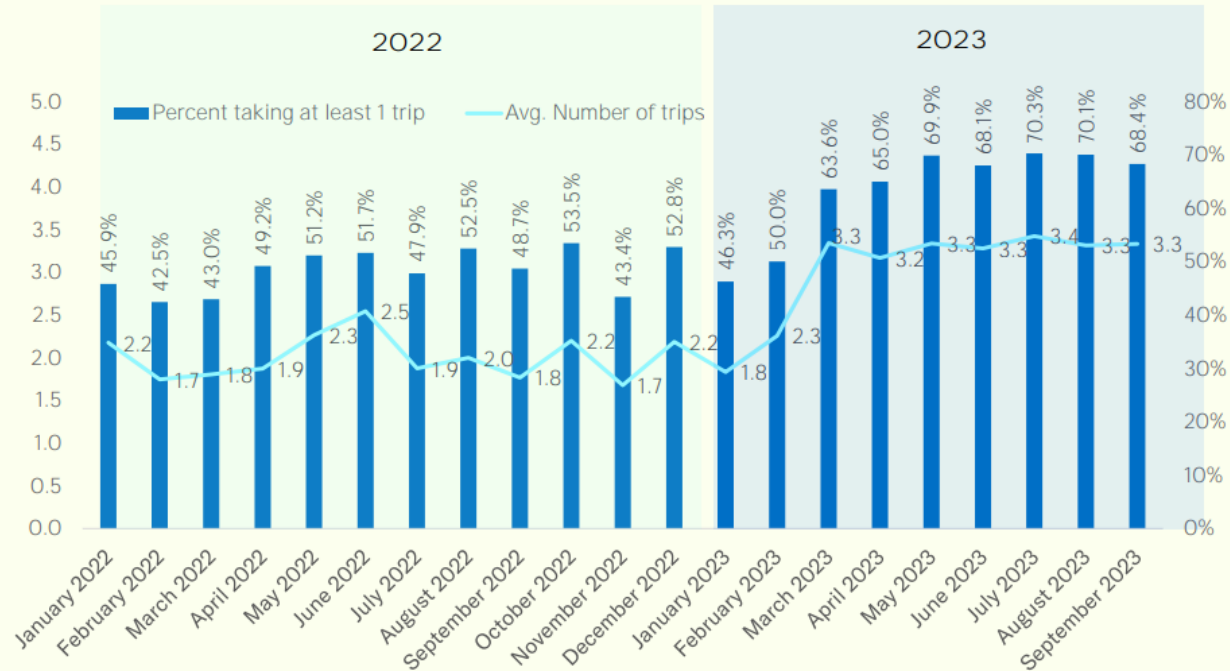
# STATE OF THE AMERICAN TRAVELER

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## Leisure Day Trip Volume has Been Very Strong this Year

**Question:**

How many DAY TRIPS (i.e., no overnight stay) of each type have you taken in the PAST MONTH?



# STATE OF THE AMERICAN TRAVELER

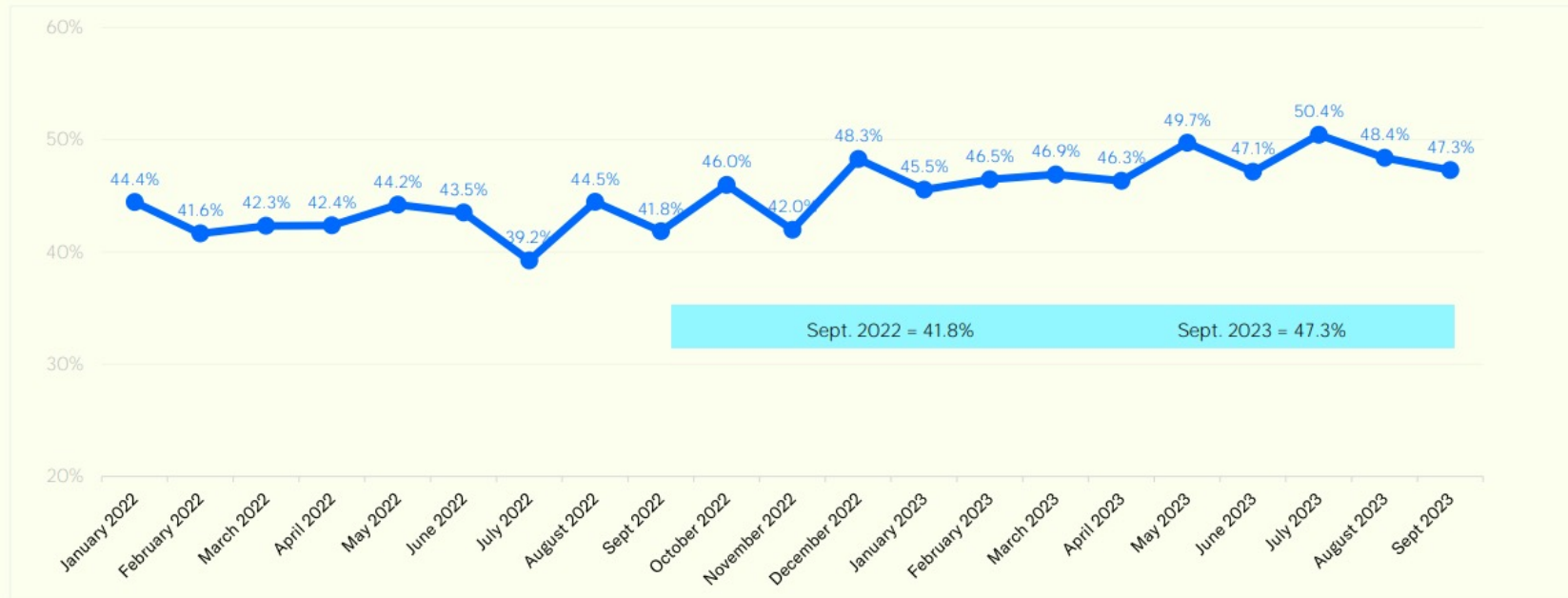
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## Financial Optimism is Down Again this Month, but Up Compared to One Year Ago

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?

% Better off or Much better off



**Future Partners** The State of the American Traveler, October 2023

# STATE OF THE AMERICAN TRAVELER

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## Travel Budgets Declined Slightly This Month and are Below the 2-Year Average

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):

Mean Maximum Expected Spending



Future Partners The State of the American Traveler, October 2023

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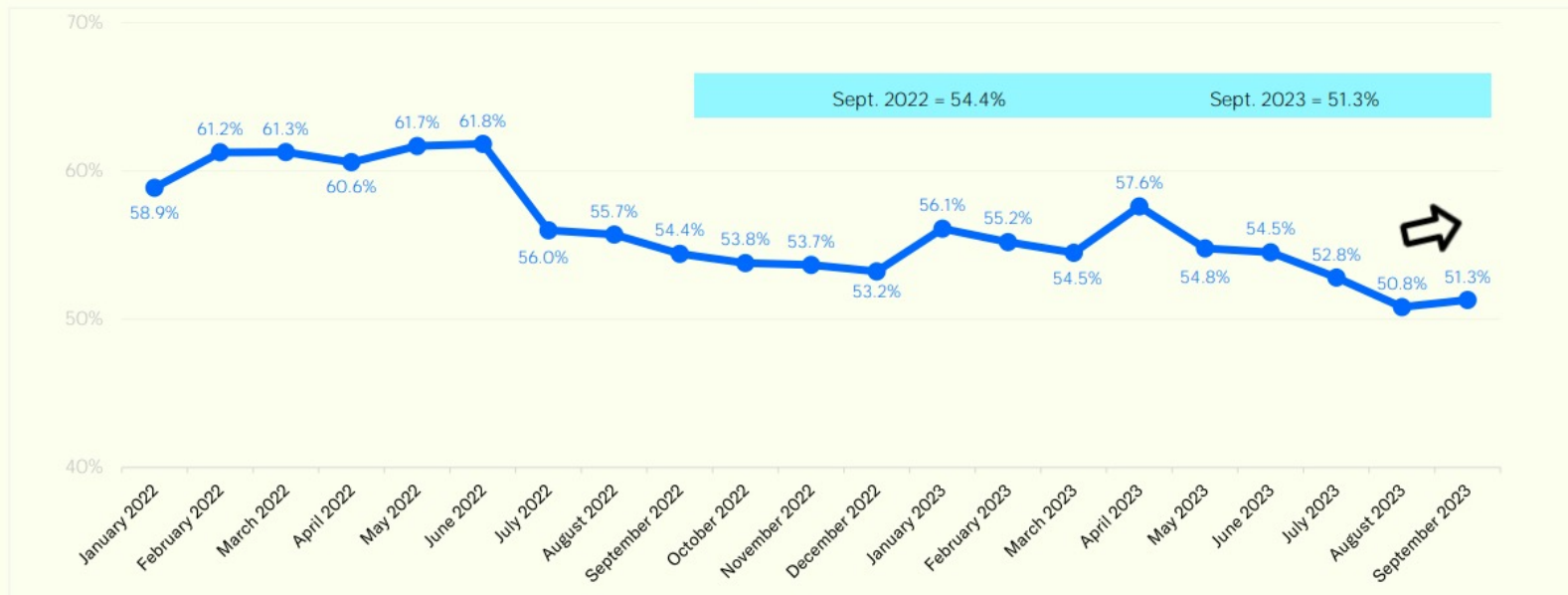
## ...Although this is Down Somewhat from Last Year

Question:

Thinking carefully about how you expect to spend your income in the NEXT THREE MONTHS, please use the scale below to describe your spending priorities.

Leisure travel will be a(n) \_\_\_\_\_.

% Top 3 Box Score



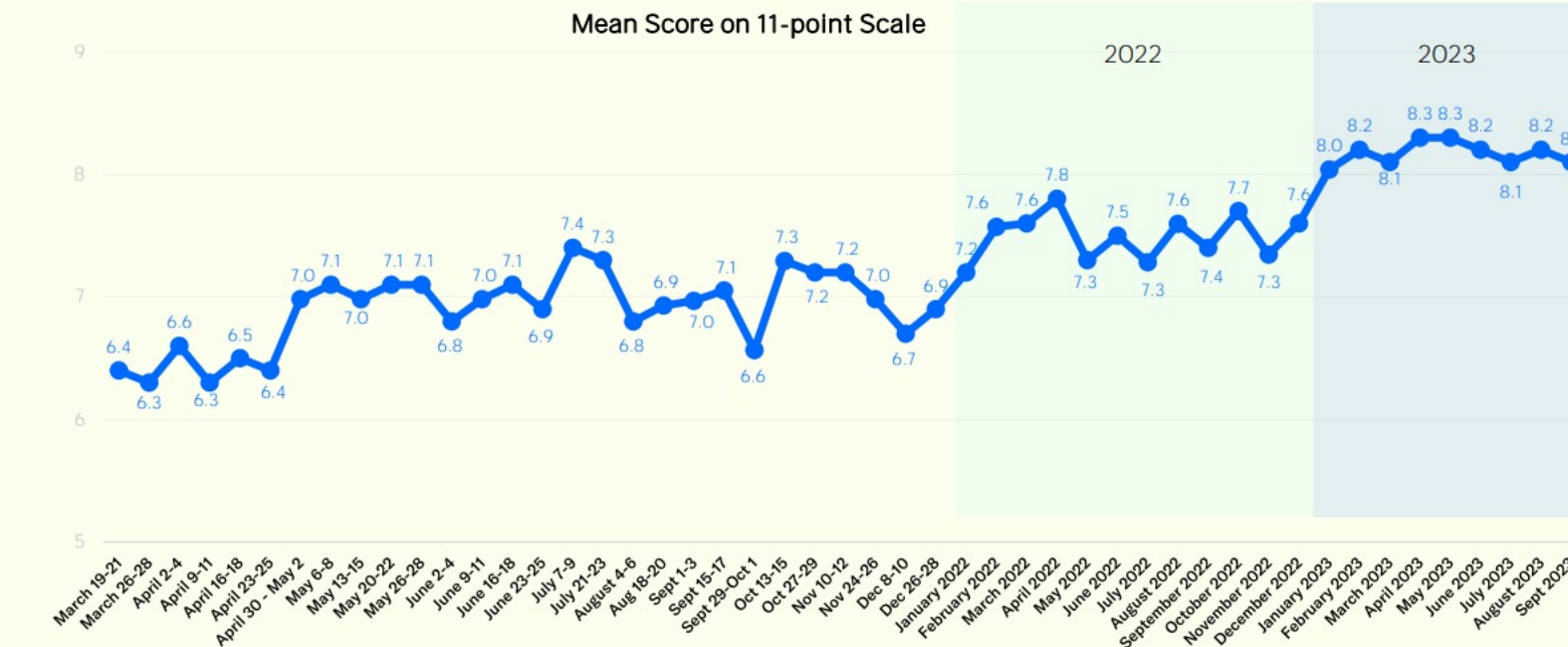
Future Partners The State of the American Traveler, October 2023

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## Although Down Very Slightly this Month, Excitement for Travel Remains at Record Levels

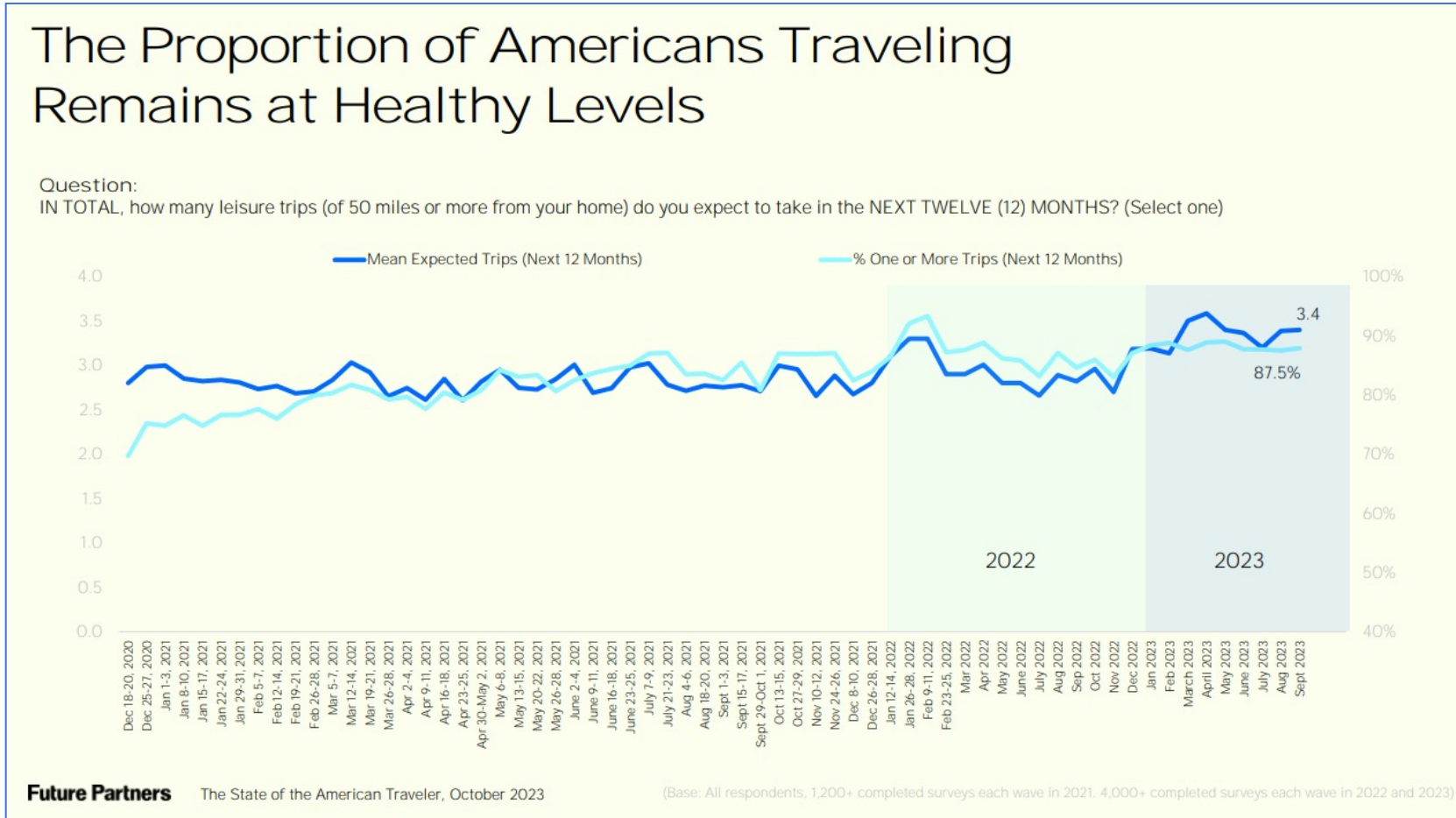
Question:  
Which best describes how excited you are about LEISURE TRAVEL in the NEXT TWELVE (12) MONTHS?



Future Partners The State of the American Traveler, October 2023

# STATE OF THE AMERICAN TRAVELER

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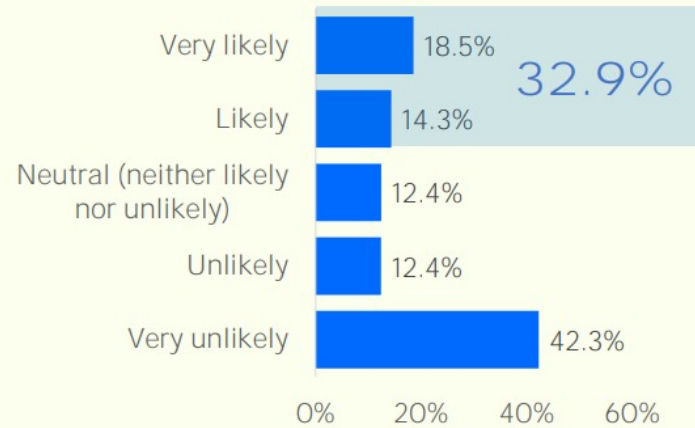


# STATE OF THE AMERICAN TRAVELER

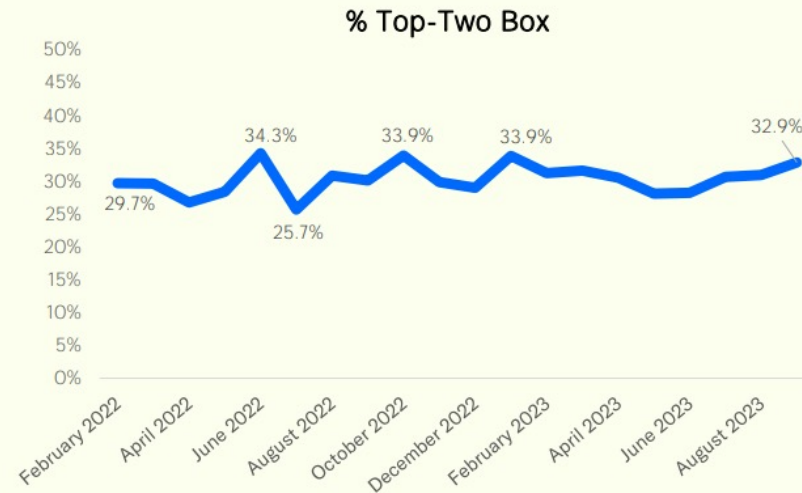
\*Survey fielded September 17-21, 2023; Representative sample of adult American travelers; N = 4,000+

## 1-in-3 Americans Plan to Travel Abroad in the Next Year.

Question: How likely are you to travel outside the United States for leisure in the NEXT TWELVE (12) MONTHS?



Historical data



Future Partners The State of the American Traveler, October 2023

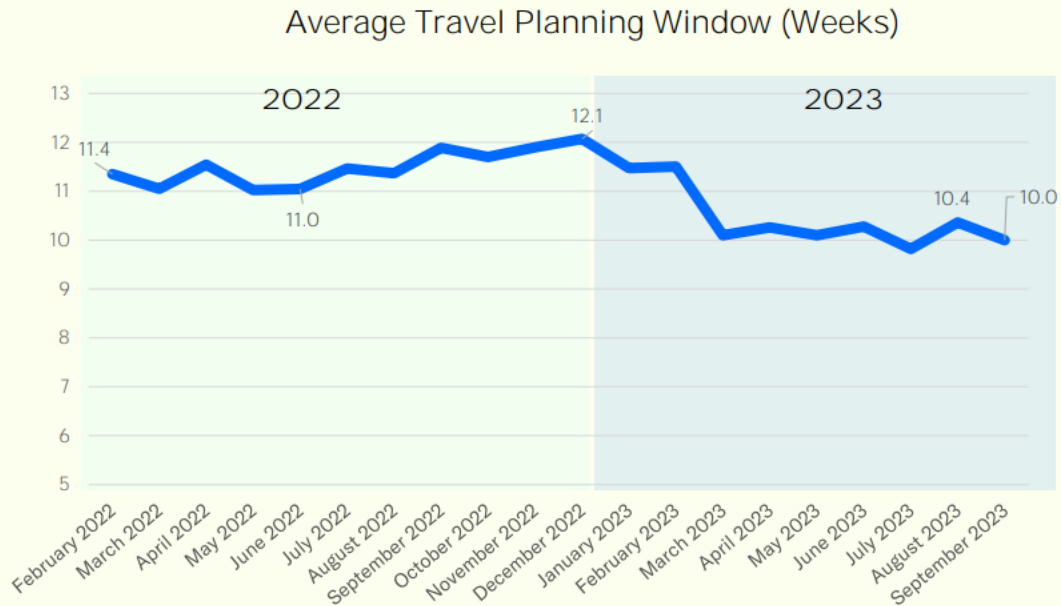
# STATE OF THE AMERICAN TRAVELER

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

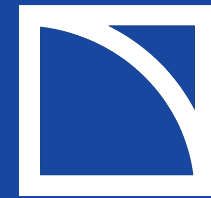
## Americans' Trip Planning Windows Have Shrunk in the Last Year

### Question:

How many weeks IN ADVANCE would you typically begin planning a domestic leisure trip (of at least one week in length)?



VISIT  
**BIG SKY**  
BIG SKY  CHAMBER



**BLUE ROOM**  
RESEARCH