Monthly Research Update

May 2023 Review

Executive Summary

National Consumer Sentiment

- Continued excitement around travel has driven strong summer performance for many American hotels, short term rentals, and destinations so far in 2023.
- However, concerns around recession, personal finances, and elevated travel prices have caused many Americans to reconsider, alter, or delay booking future travel. In addition, a significant number of travelers remain apprehensive about wildfires in Western states this summer.
- Destinations nationwide continue to report shorter booking windows for upcoming summer and fall trips.

National Hotel Forecast

- STR and Tourism Economics recently updated their 2023 U.S. hotel forecast by lifting rate expectations and slightly lowering occupancy projections.
    - The updated 2023 U.S. hotel forecast increased the projected ADR 1.5% from the previous projection. STR and TE now expect full-year 2023 ADR to reach $154.28, up from $151.10 in its previous update and up 3.5% from 2022.
    - Projected RevPAR increased by 1.3% from the previous projection to $97.95 for 2023, which is up nearly 5% from 2022.
    - The updated Occupancy projection reflects a 0.2% decrease from the previous forecast to 63.5%. Occupancy totaled 62.7% in 2022.
- In addition, STR and TE project limited hotel profit growth due to growing operational expenses.

Executive Summary

Kalispell Trends

- Glacier Park International Airport traffic remains elevated in 2023, with YTD passenger counts through April 2023 up 8.2% compared to the same time last year.
- Although Kalispell hotels were down 7.4% YoY in May 2023 in Occupancy, both ADR (+11.9%) and RevPAR (+3.6) were elevated for the month.
  - Total hotel Revenue is down just 0.7% YTD.
- Short term rental supply grew by 70.5% YoY in May, increasing from 112 Available Listings in May of 2022 to 191 Available Listings in May 0f 2023.
  - This large increase in supply caused Occupancy to decrease 19.8% from 58% in May of 2022 to 46% in May of 2023, but an increase in total Demand helped Revenue grow by 35.7% YoY.
- Despite decreased Occupancy in hotels and short-term rentals in May, visitor spend remains healthy.
  - Year-to-Date domestic visitor Visa card spend is flat compared to 2022.

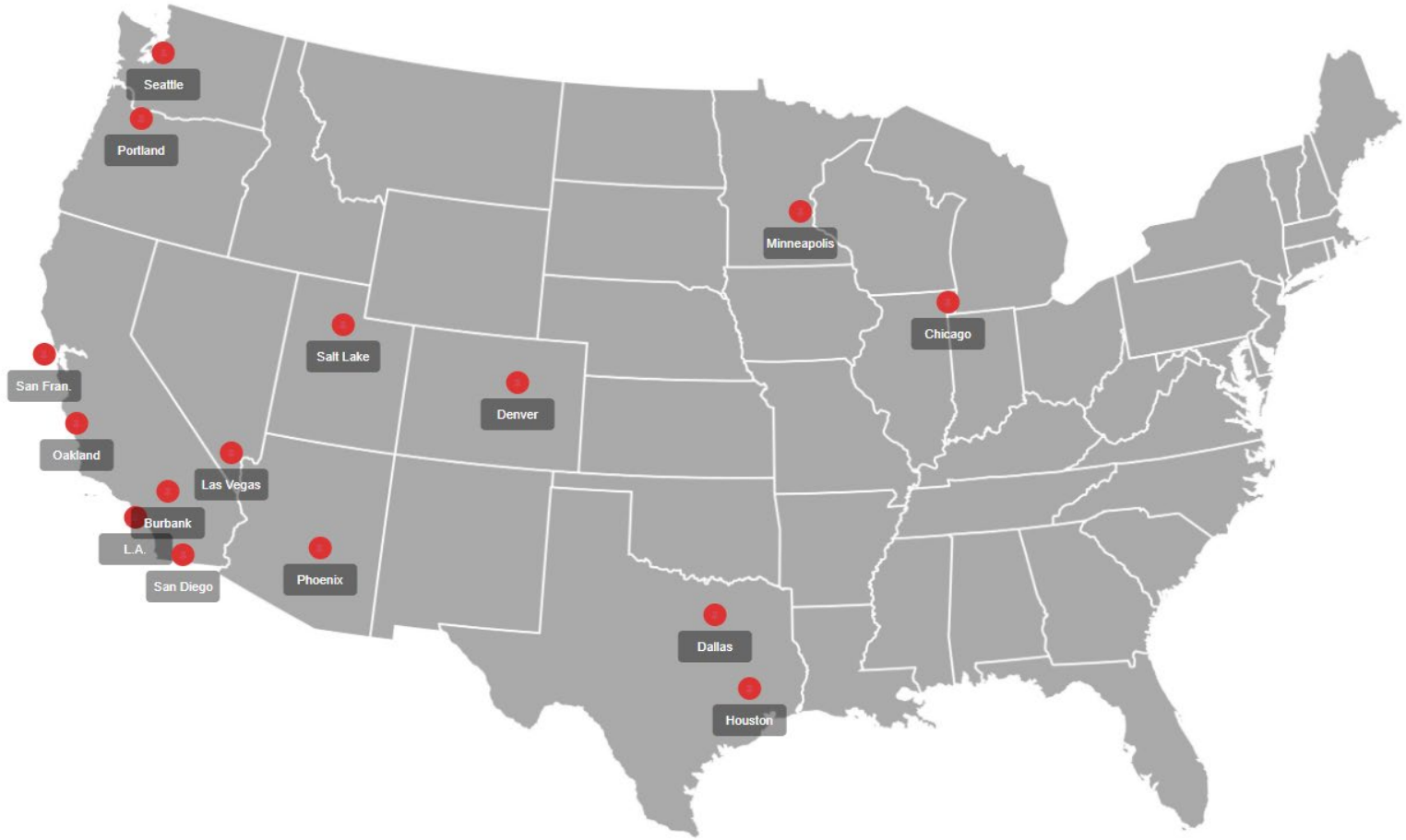
SECTION 01.

Glacier Park International Airport Data

Glacier Park International Airport

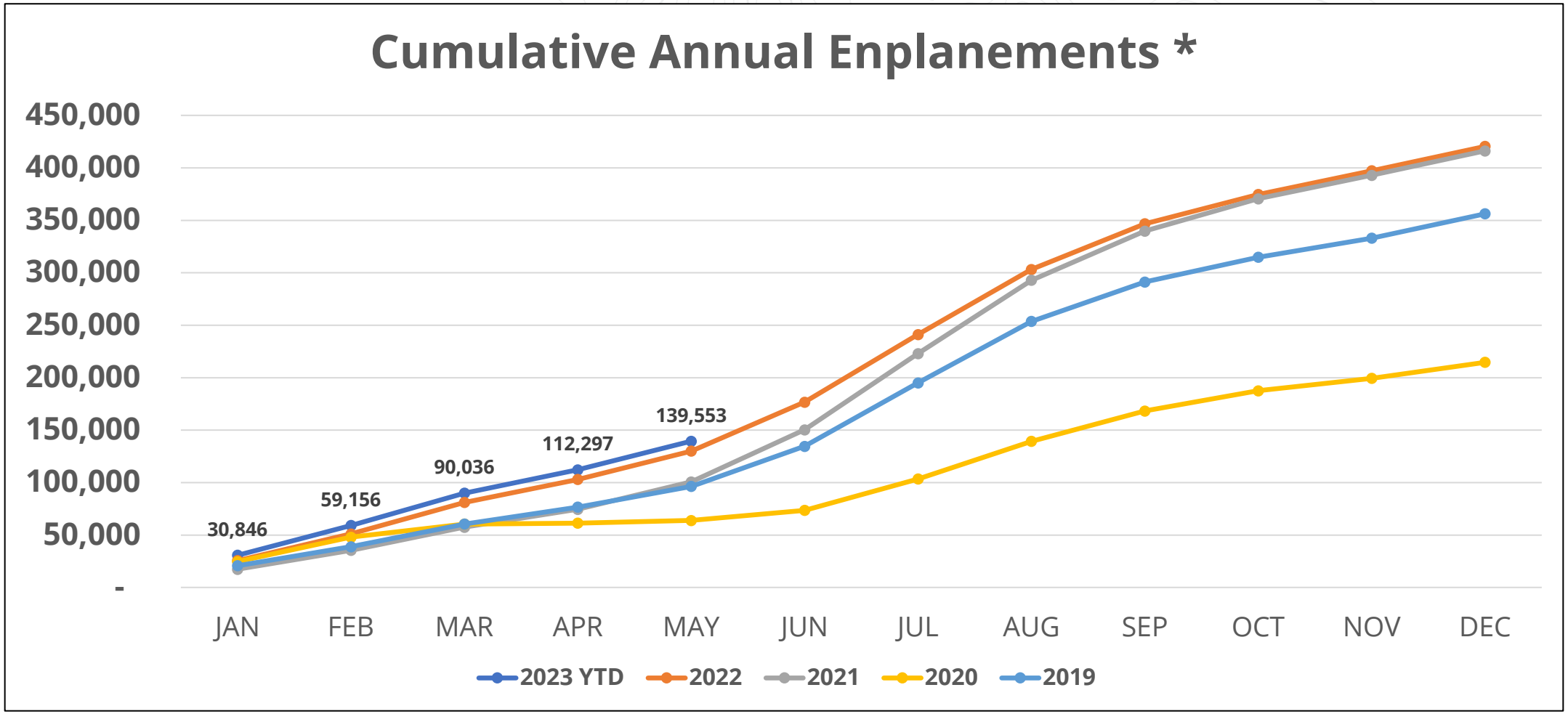
Direct Flights

MAJOR CITIES SERVED



Source: Glacier Park International Airport

Glacier Park International Airport



** Enplanements only (not total passengers)*

Source: Glacier Park International Airport

Glacier Park International Airport

CY 2023 Seats Available	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Alaska	6,156	5,700	6,612	5,852	7,068								**31,388**
Allegiant Air	3,561	2,760	3,258	3,150	2,022								**14,751**
American	0	0	0	0	2,052								**2,052**
Avelo	0	0	0	0	441								**441**
Charters	0	0	372	0	0								**372**
Delta	11,059	11,856	12,858	12,800	14,000								**62,573**
Frontier	0	0	0	0	0								**0**
Jet Blue	0	0	0	0	0								**0**
Sun Country	0	0	0	0	0								**0**
United	13,753	12,814	13,707	7,323	10,174								**57,771**
Total Seats Available	**34,529**	**33,130**	**36,807**	**29,125**	**35,757**								**169,348**

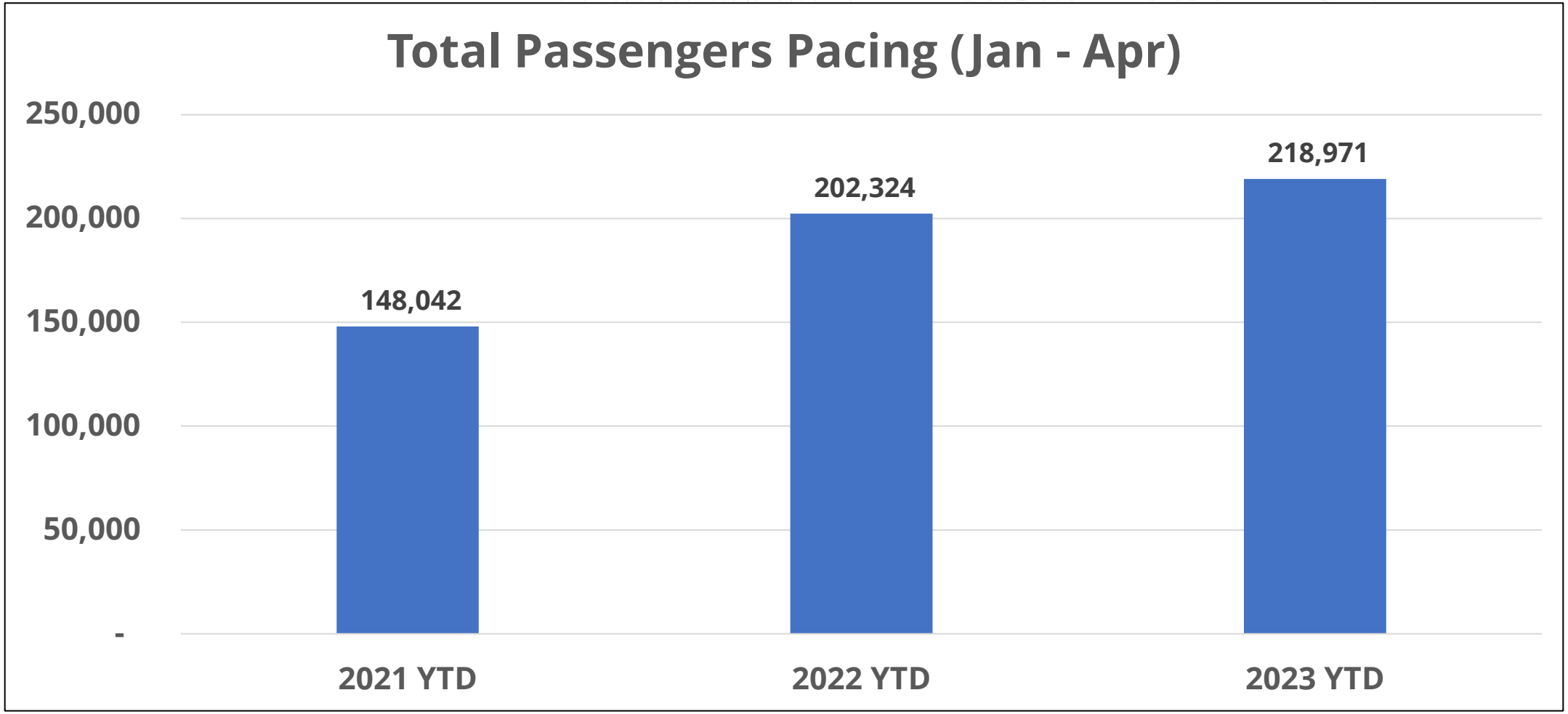
Source: GPIA Air Carrier Stats

Glacier Park International Airport

Total Passengers					
Month	2023	2022	% Chg 2023 vs. 2022	2021	% Chg 2023 vs. 2021
January	58,161	49,261	18.1%	32,629	78.2%
February	56,277	50,555	11.3%	36,194	55.5%
March	59,460	58,672	1.3%	44,961	32.2%
April	45,073	43,836	2.8%	34,258	31.6%
May		57,039		52,994	
June		97,429		103,426	
July		128,318		144,891	
August		119,193		132,811	
September		82,969		92,063	
October		52,129		58,516	
November		45,126		44,274	
December		47,618		49,079	
Year-to-Date	218,971	202,324	8.2%	148,042	52.8%
Total		832,145		826,096	

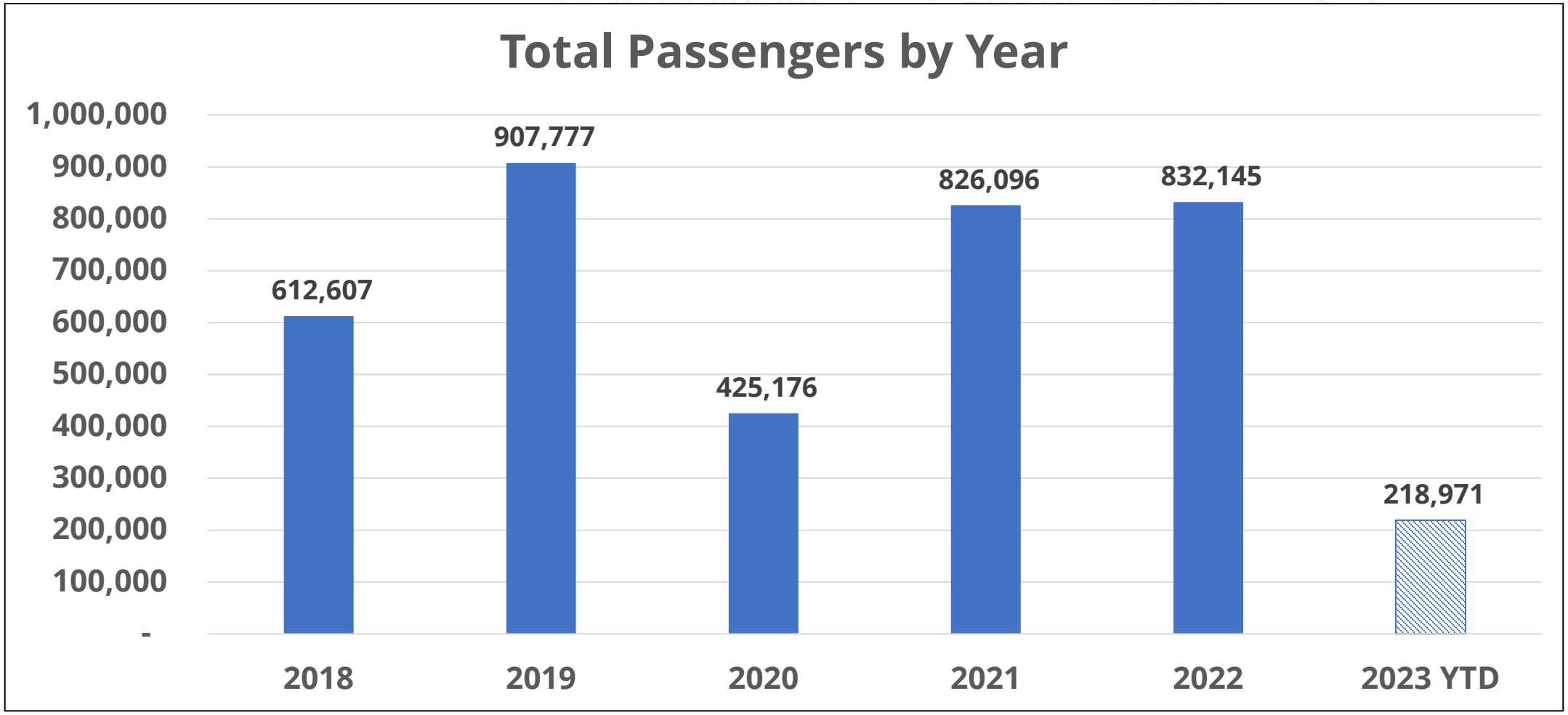
Source: Glacier Park International Airport

Glacier Park International Airport



Source: Glacier Park International Airport

Glacier Park International Airport



(Jan – Apr 2023)

Source: Glacier Park International Airport

SECTION 02.

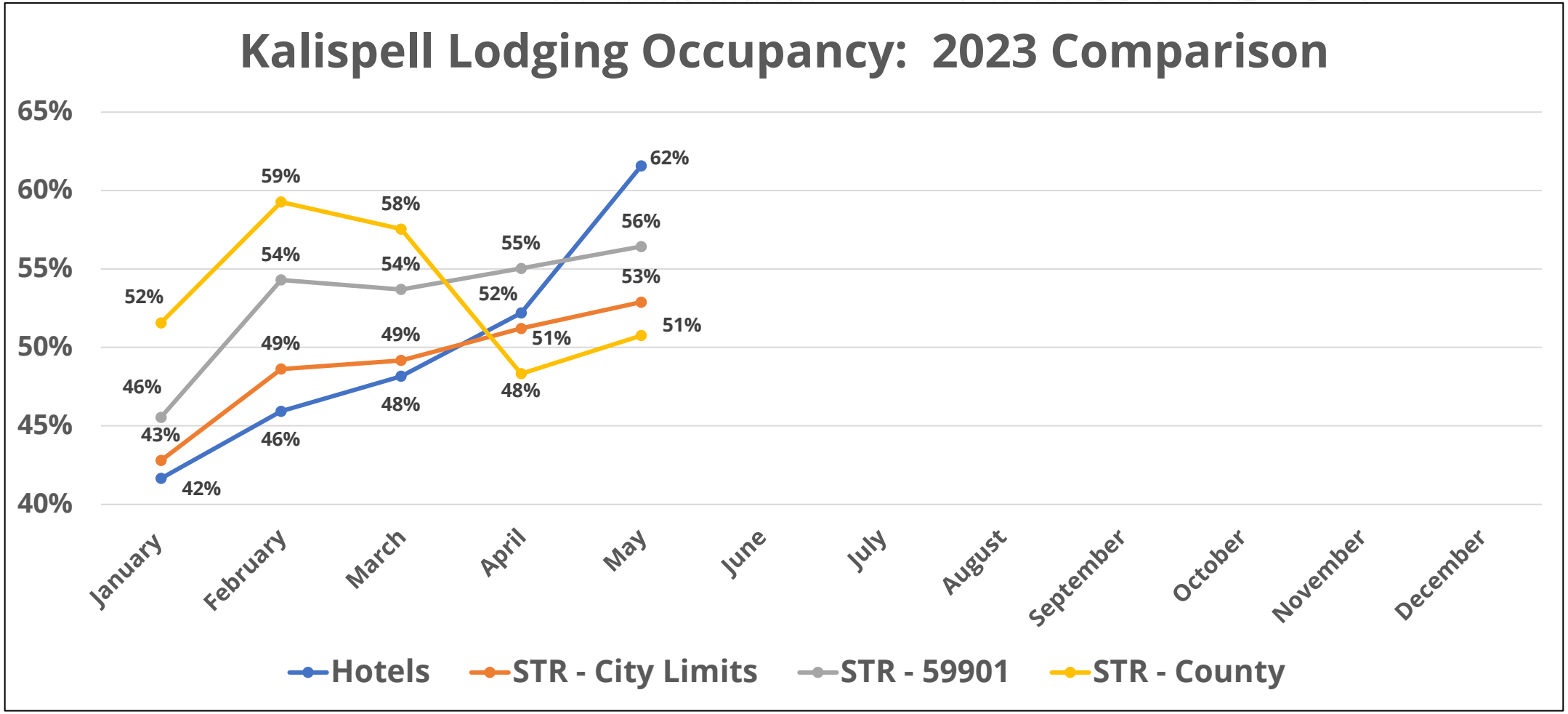
STR Hotel Data

STR Hotel Data - Definitions

- **Average Daily Rate (ADR)** – A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold.
  - ADR = Room Revenue / Rooms Sold
- **Demand** – The number of rooms sold in a specified time period (excludes complementary rooms).
- **Occupancy** – Percentage of available rooms sold during a specific time period. Occupancy is calculated by dividing the number of rooms sold by rooms available.
  - Occupancy = Rooms Sold / Rooms Available
- **Revenue** – Total room revenue generated from the guestroom rentals or sales.
- **Revenue Per Available Room (RevPAR)** – Total room revenue divided by the total number of available rooms.
  - RevPAR = Room Revenue / Rooms Available

Source: STR

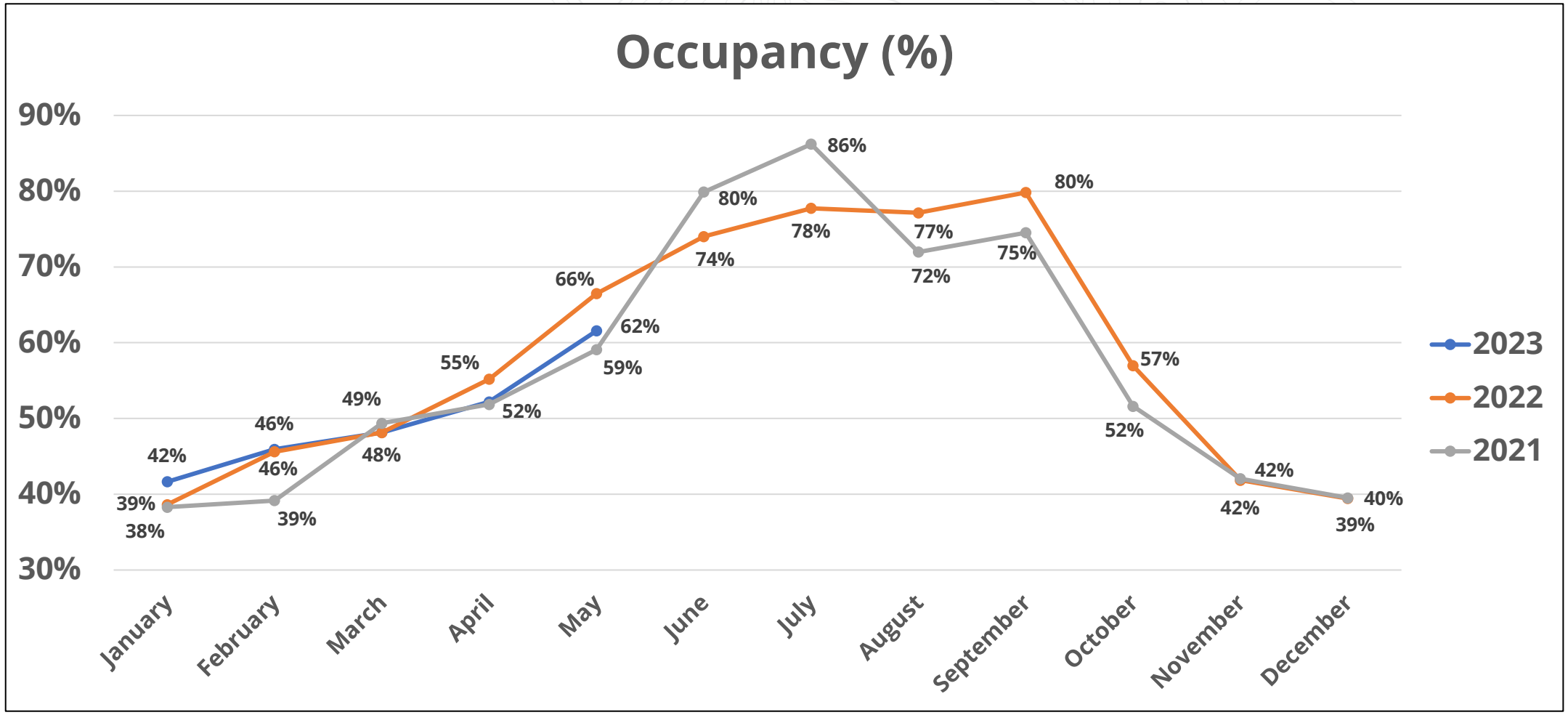
Kalispell 2023 Lodging Comparison



Source: STR

Hotel Occupancy by Month

Kalispell hotel Occupancy decreased 7.4%, ADR increased 11.9%, and RevPAR increased 3.6% Year-Over-Year

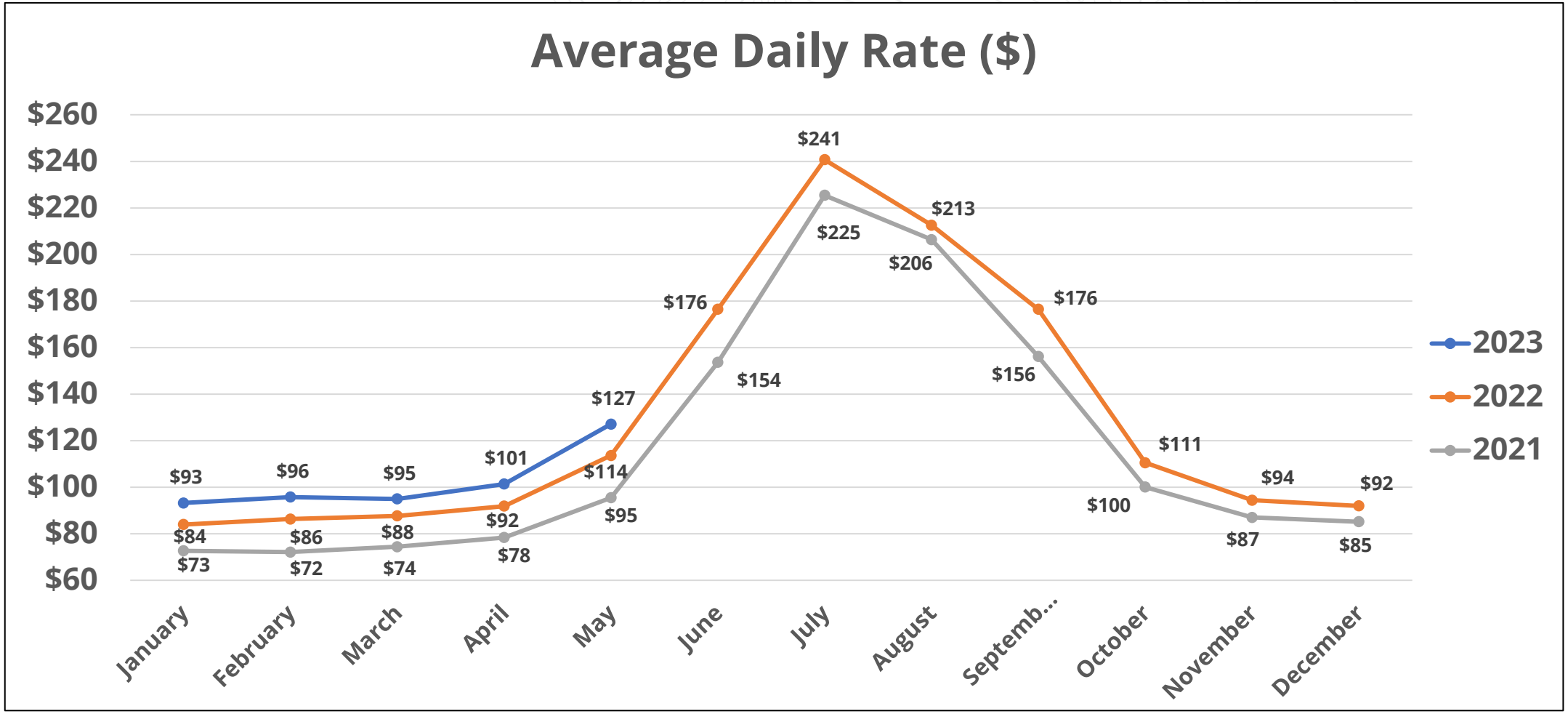


2021 Occupancy = 57%	2022 Occupancy = 58%

Source: STR

Hotel Average Daily Rate (ADR) by Month

Kalispell hotel Occupancy decreased 7.4%, ADR increased 11.9%, and RevPAR increased 3.6% Year-Over-Year

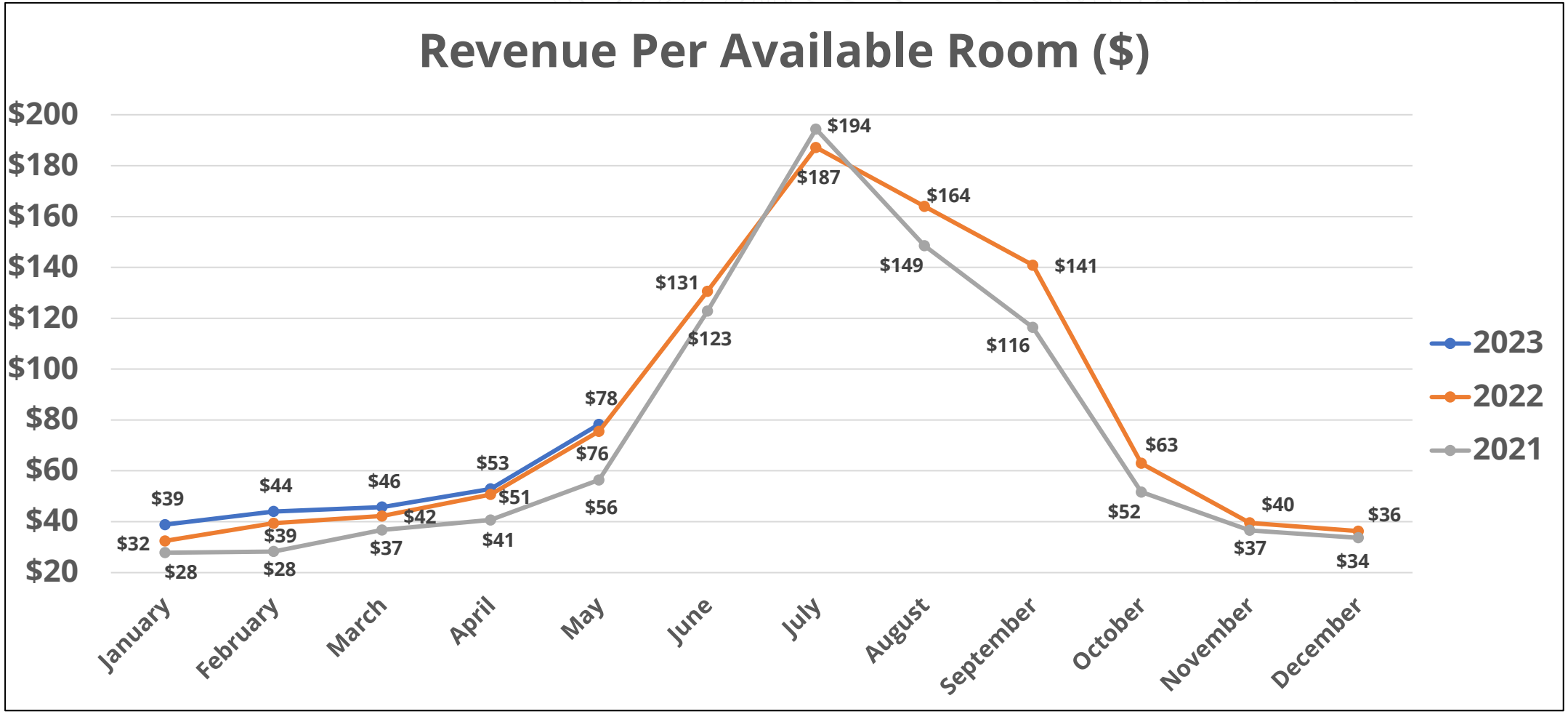


2021 ADR = $117.26 **2022 ADR = $130.55**

Source: STR

Hotel Revenue Per Available Room by Month

Kalispell hotel Occupancy decreased 7.4%, ADR increased 11.9%, and RevPAR increased 3.6% Year-Over-Year

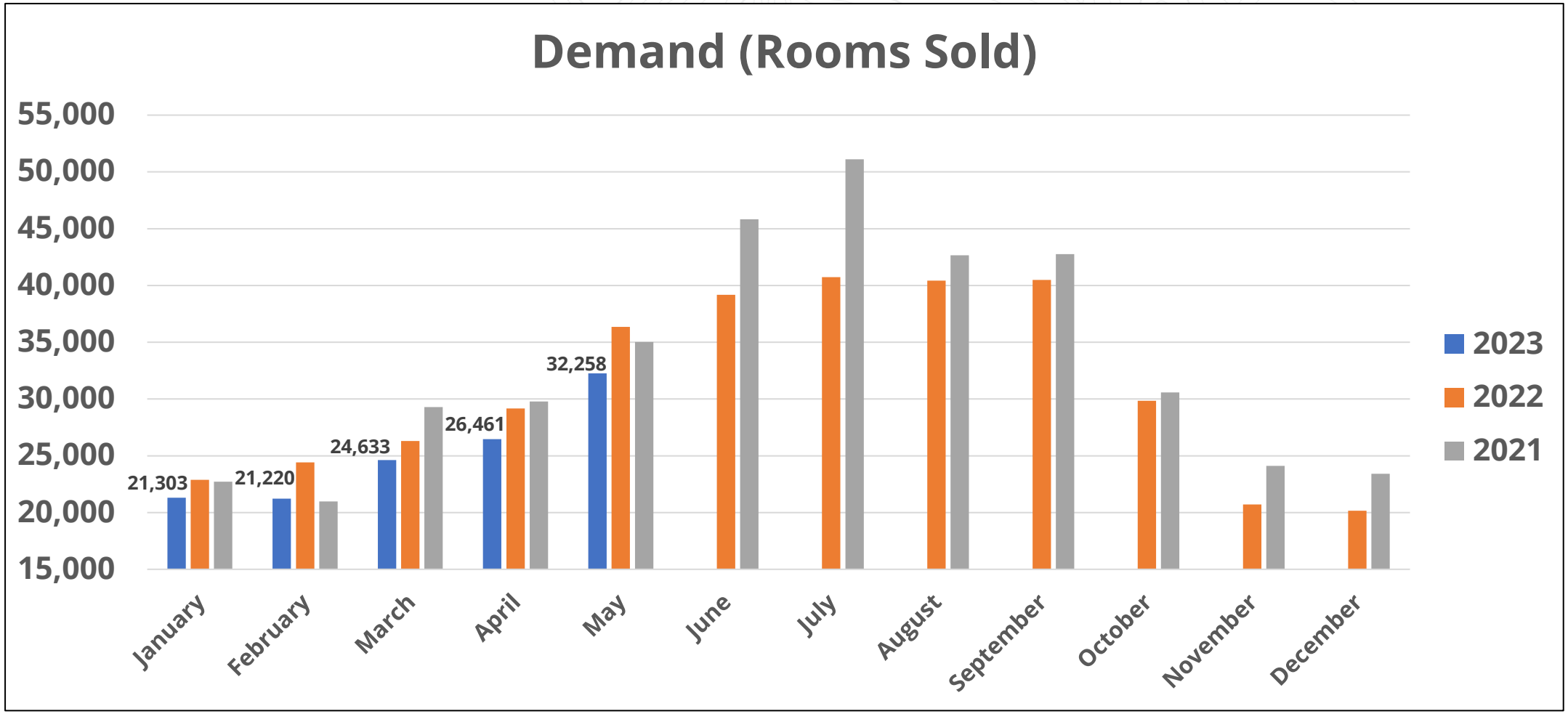


2021 RevPAR = $74.49 **2022 RevPAR = $83.47**

Source: STR

Hotel Demand (Rooms Sold) by Month

Kalispell hotel Demand decreased 11.3%, Supply decreased 4.2%, and Revenue decreased 0.7% Year-Over-Year

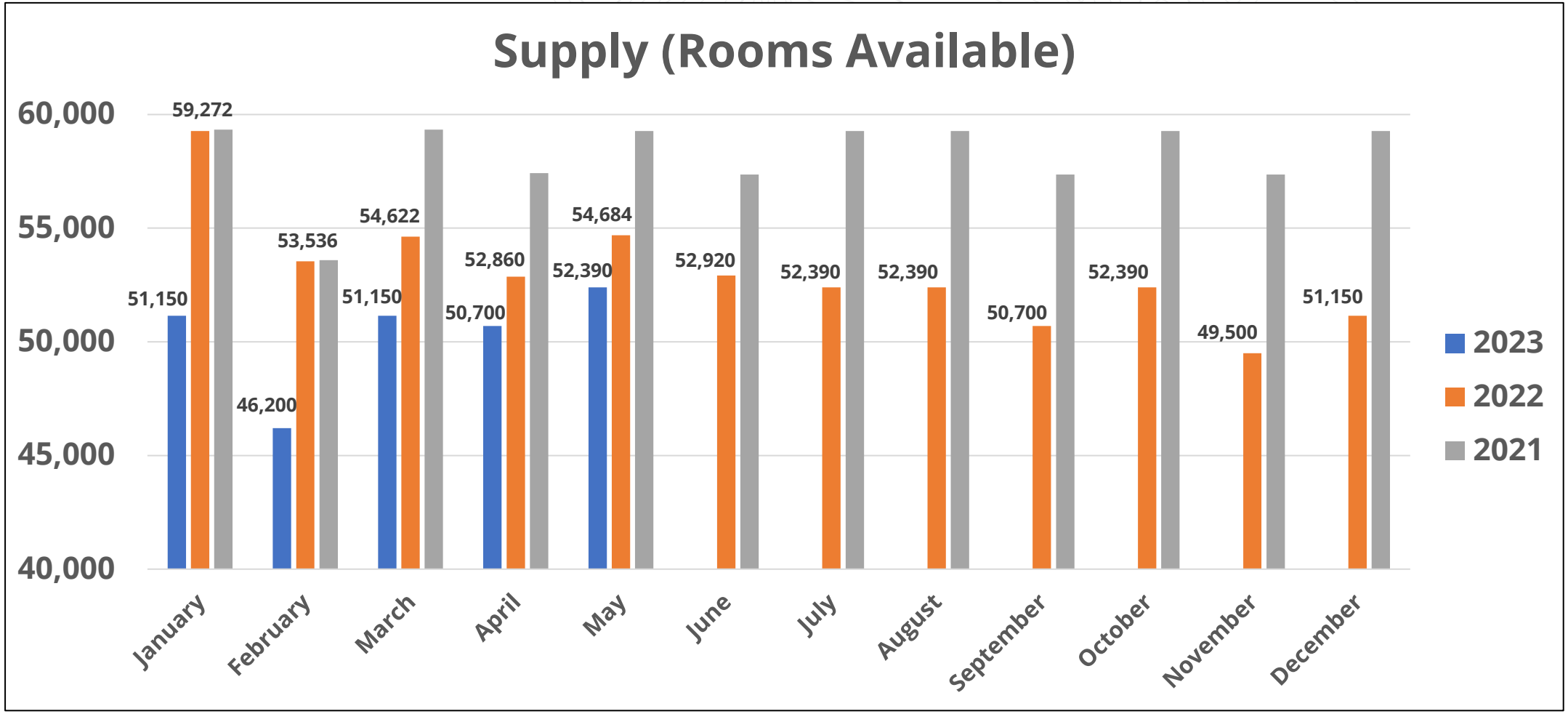


2021 Demand = 398,268	2022 Demand = 370,661

Source: STR

Hotel Supply by Month

Kalispell hotel Demand decreased 11.3%, Supply decreased 4.2%, and Revenue decreased 0.7% Year-Over-Year

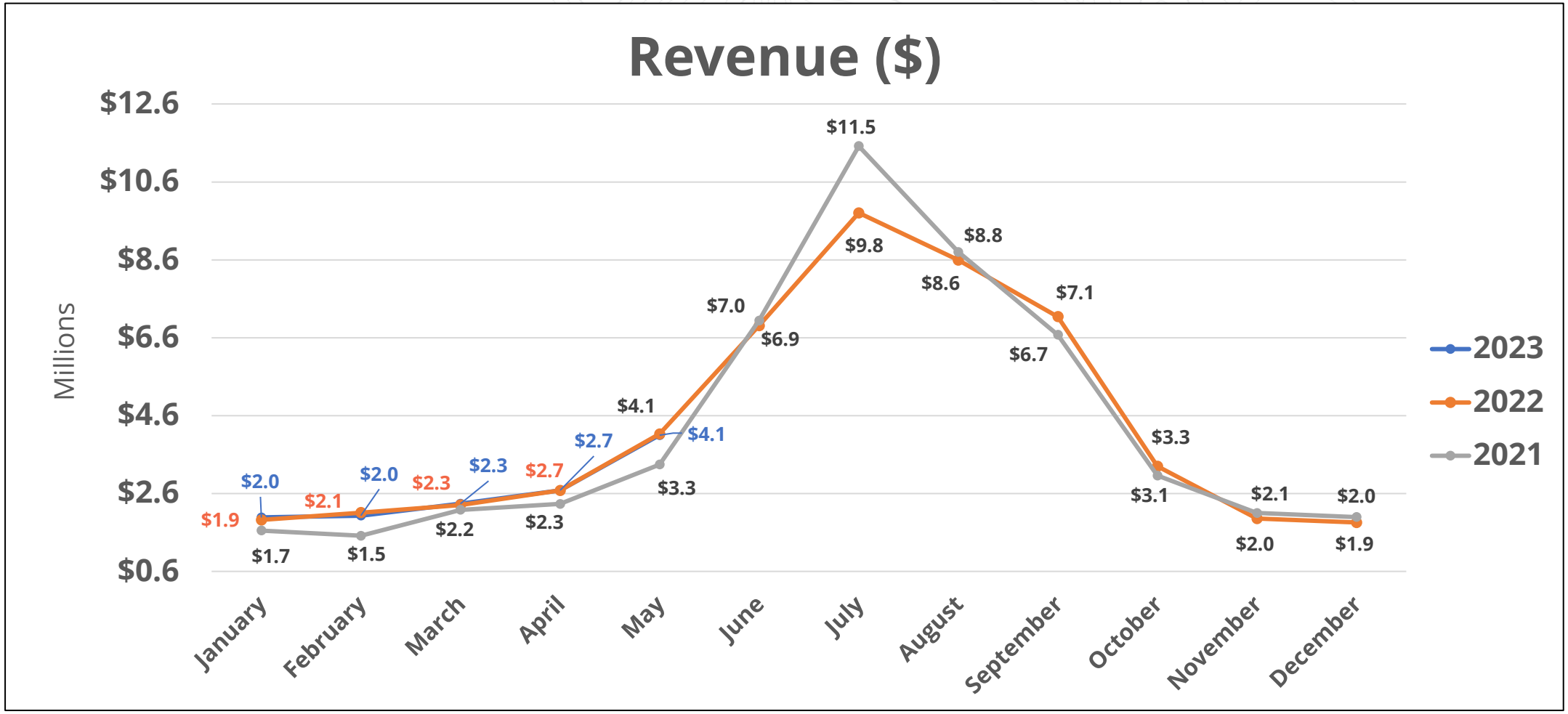


2021 Supply = 698,120 **2022 Supply = 636,414**

Source: STR

Hotel Revenue by Month

Kalispell hotel Demand decreased 11.3%, Supply decreased 4.2%, and Revenue decreased 0.7% Year-Over-Year



2021 Revenue = $52.2M **2022 Revenue = $52.7M**

Source: STR

SECTION 03.

AirDNA Short Term Rental Data (Airbnb & Vrbo listings)

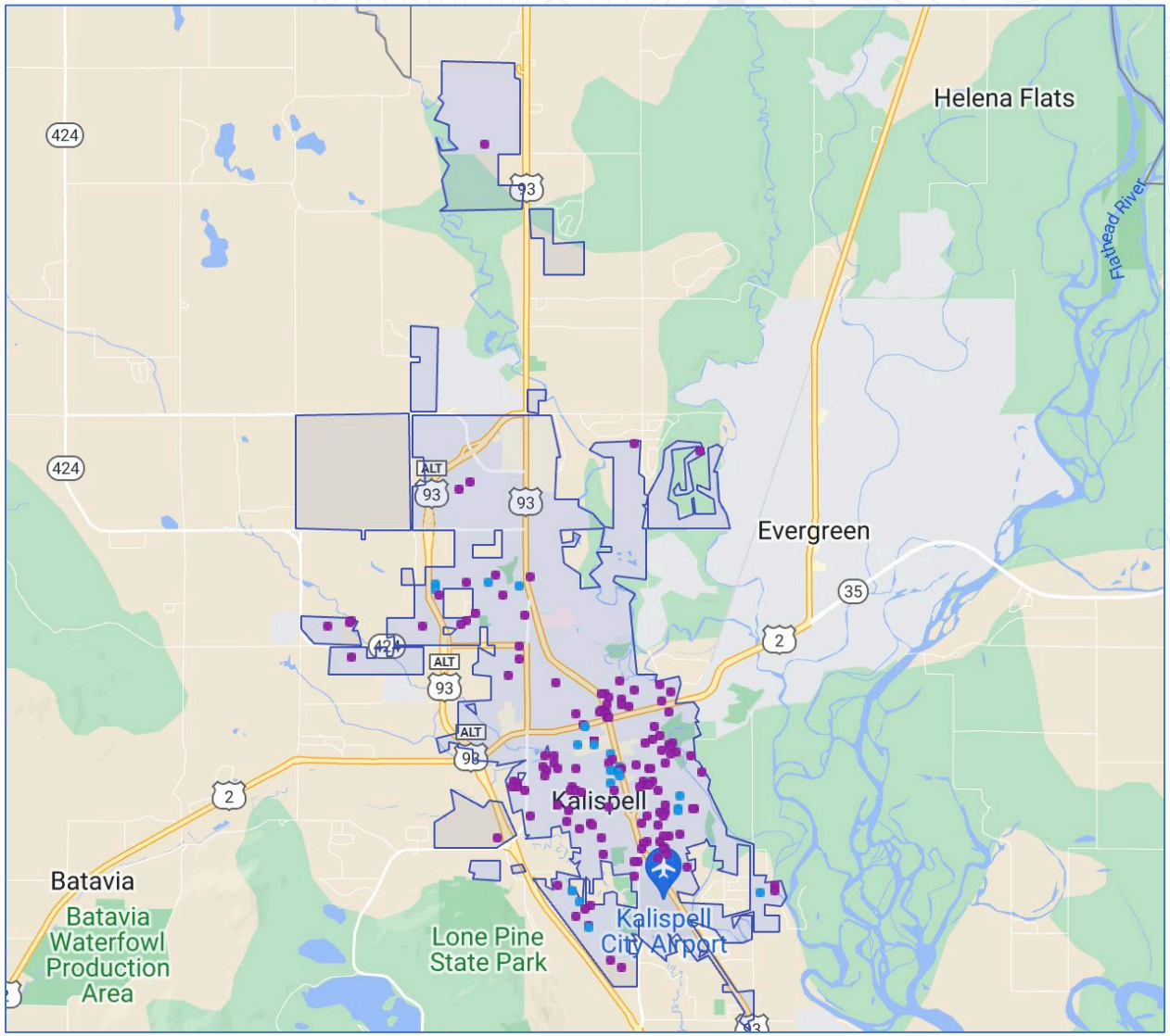
AirDNA Short Term Rentals - Definitions

Note: AirDNA Data is comprised exclusively of Airbnb and Vrbo listing data.

- **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).
- **Demand (Nights)** – Total number of Booked Nights during the reporting period.
- **Occupancy Rate** – Occupancy Rate = Total Booked Days / (Total Booked Days + Total Available Days). Calculation only includes vacation rentals with at least one Booked Night.
- **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

Source: AirDNA

AirDNA Short Term Rentals – Geographical Boundary *

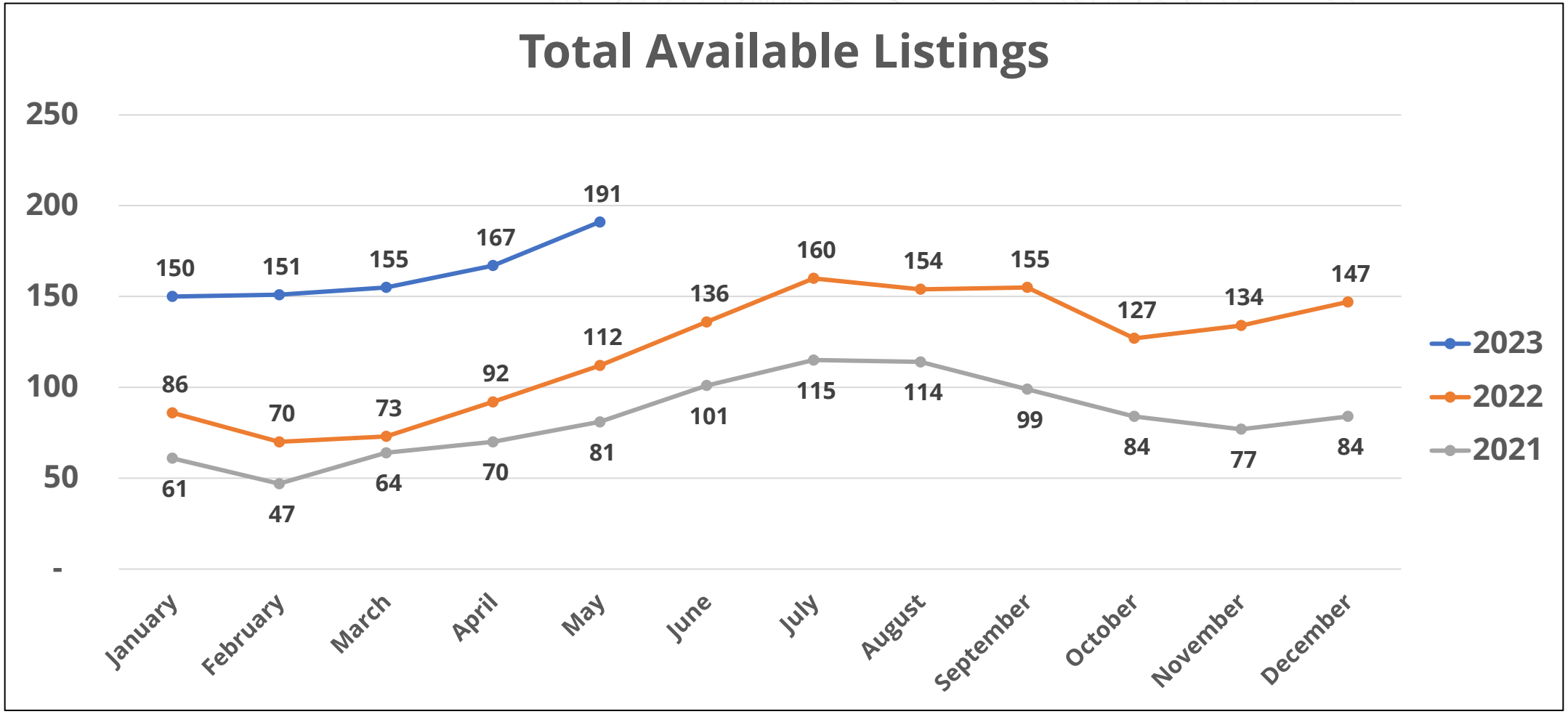


*Kalispell City Limits

Source: AirDNA (Entire Place Properties Only)

AirDNA Short Term Rentals - Available Listings

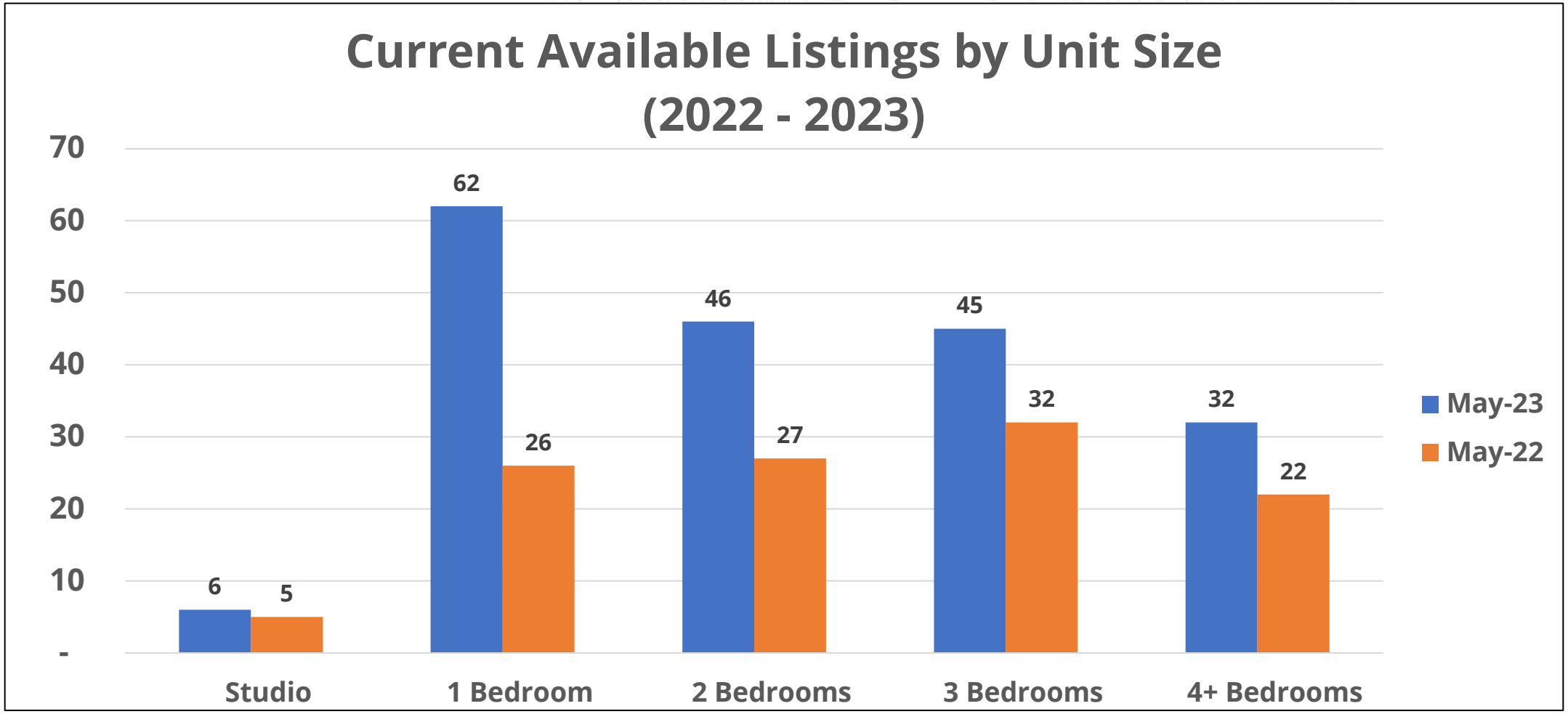
Kalispell Short Term Rentals Available Listings increased 70.5%, 1 Bedroom Listings increased 138.5%, 2 Bedroom Listings increased 70.4% Year-Over-Year



Source: AirDNA (Entire Place Properties only)

AirDNA Short Term Rentals - Unit Size

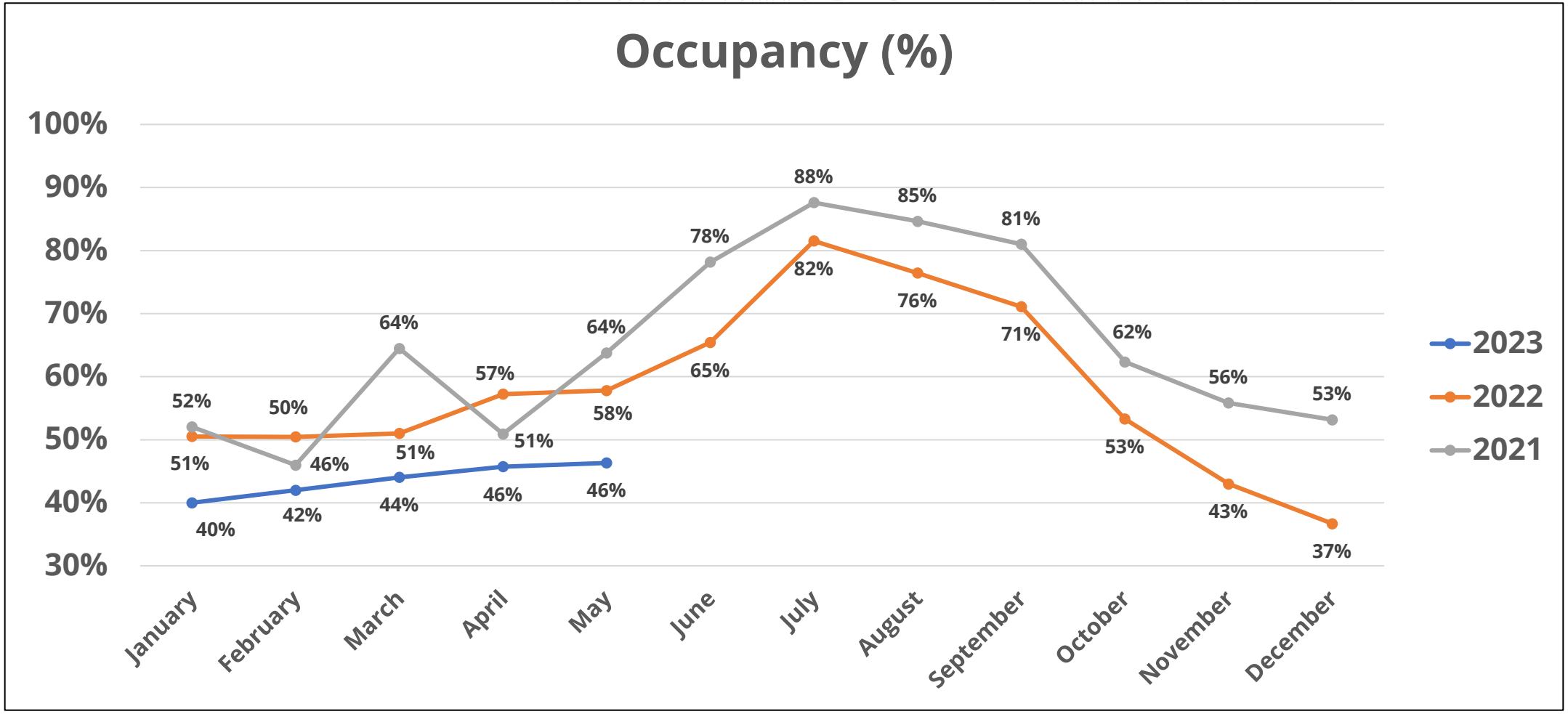
Kalispell Short Term Rentals Available Listings Increased 70.5%, 1 Bedroom Listings Increased 138.5%, 2 Bedroom Listings Increased 70.4% Year-Over-Year



Source: AirDNA (Entire Place Properties only)

AirDNA Short Term Rentals – Occupancy

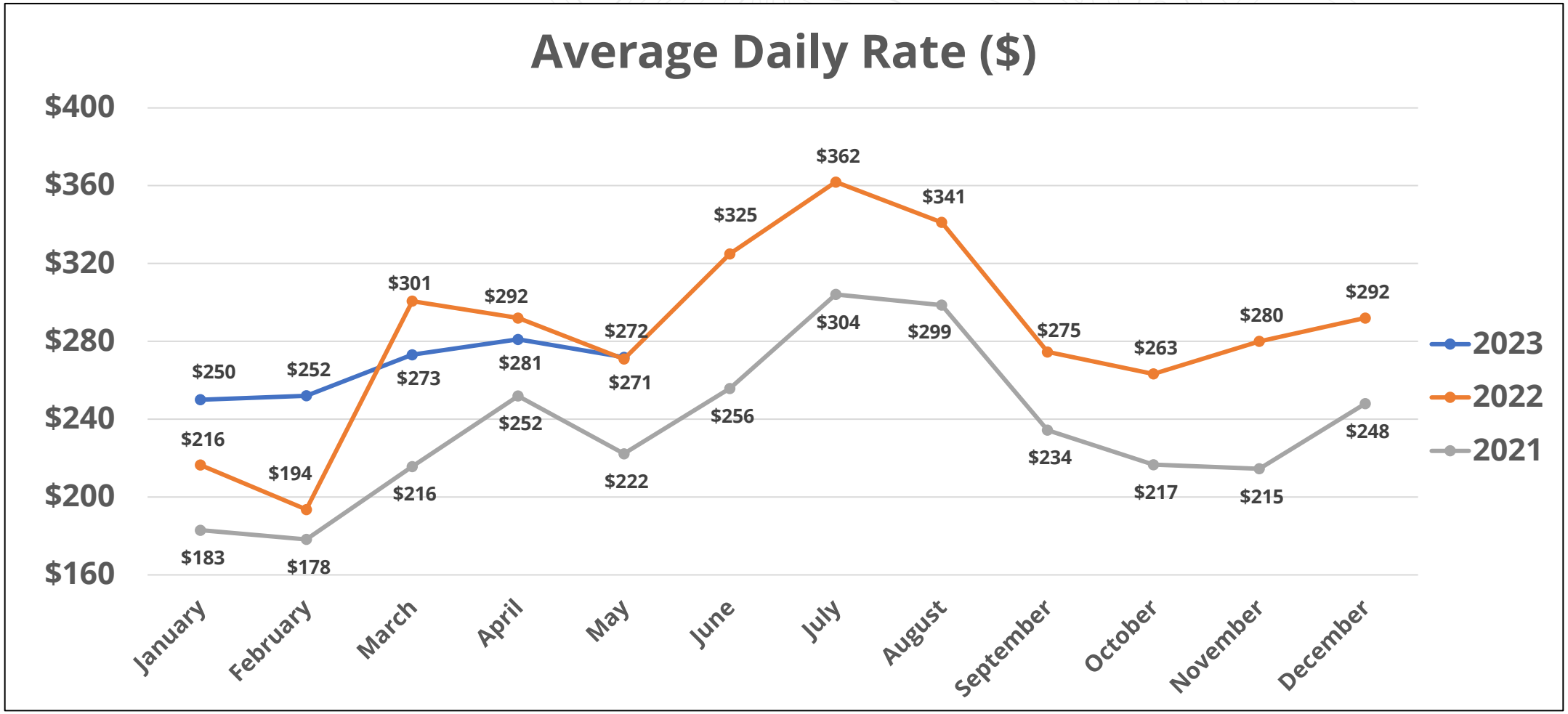
Kalispell Short Term Rentals Occupancy decreased 19.8%, ADR increased 0.3%, and RevPAR decreased 19.6% Year-Over-Year



Source: AirDNA (Entire Place Properties only)

AirDNA Short Term Rentals - ADR

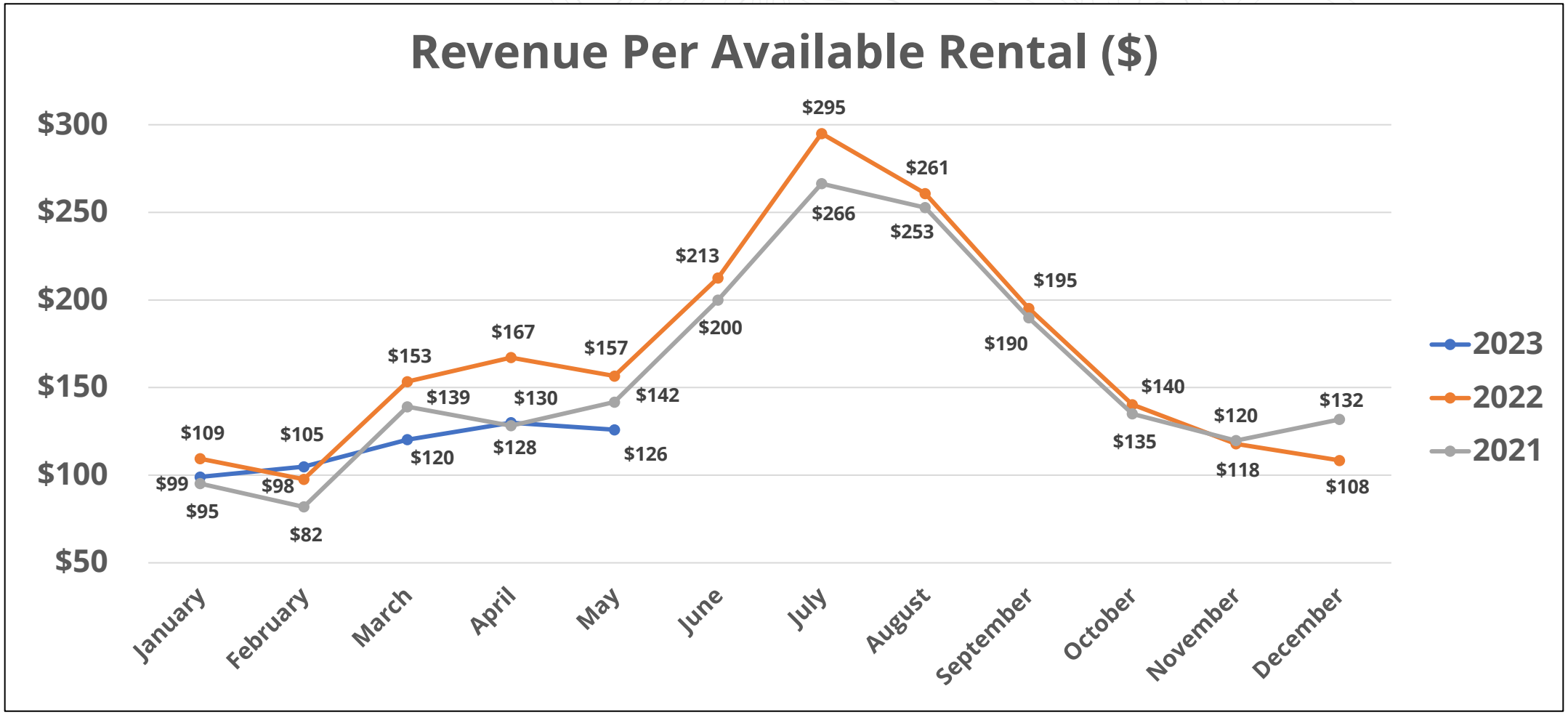
Kalispell Short Term Rentals Occupancy decreased 19.8%, ADR increased 0.3%, and RevPAR decreased 19.6% Year-Over-Year



Source: AirDNA (Entire Place Properties only)

AirDNA Short Term Rentals - RevPAR

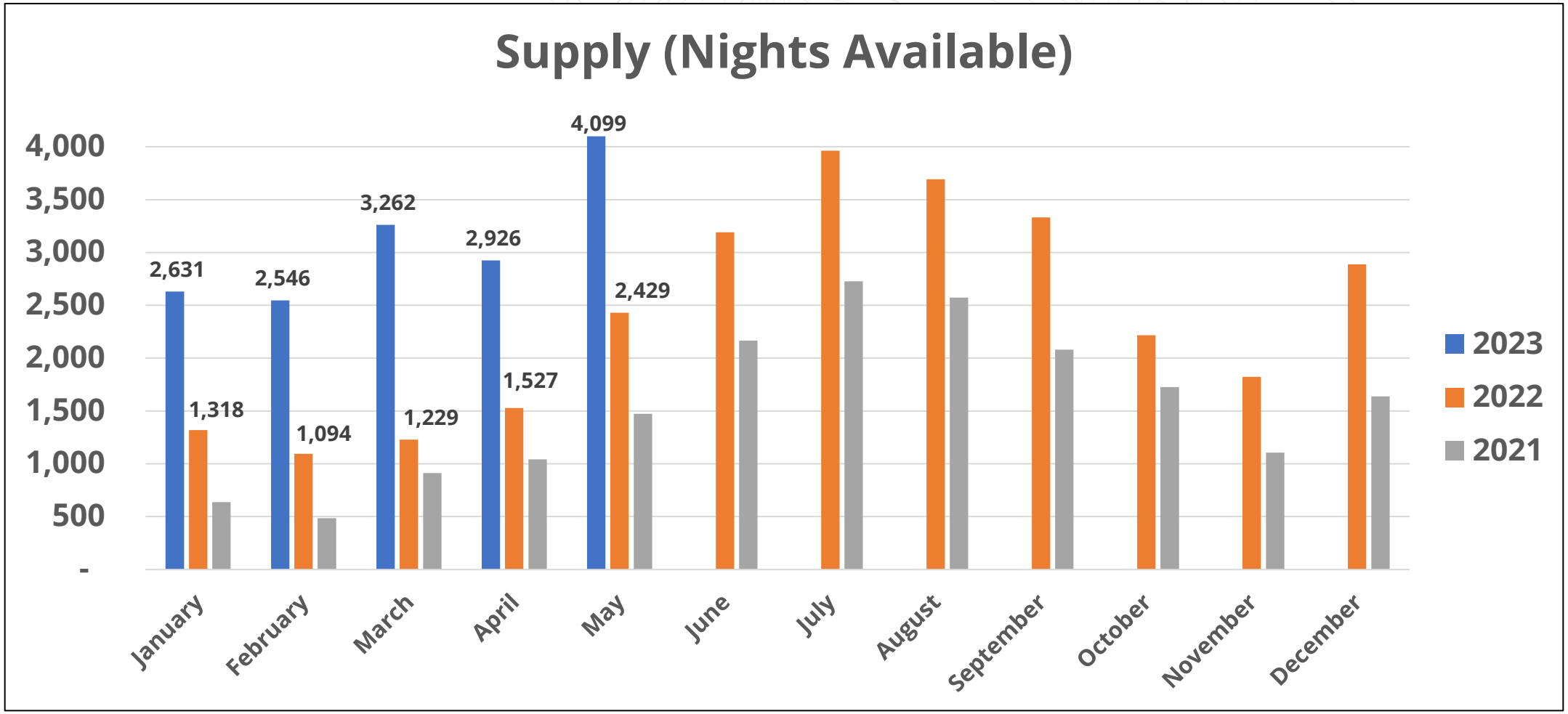
Kalispell Short Term Rentals Occupancy decreased 19.8%, ADR increased 0.3%, and RevPAR decreased 19.6% Year-Over-Year



Source: AirDNA (Entire Place Properties only)

AirDNA Short Term Rentals – Supply

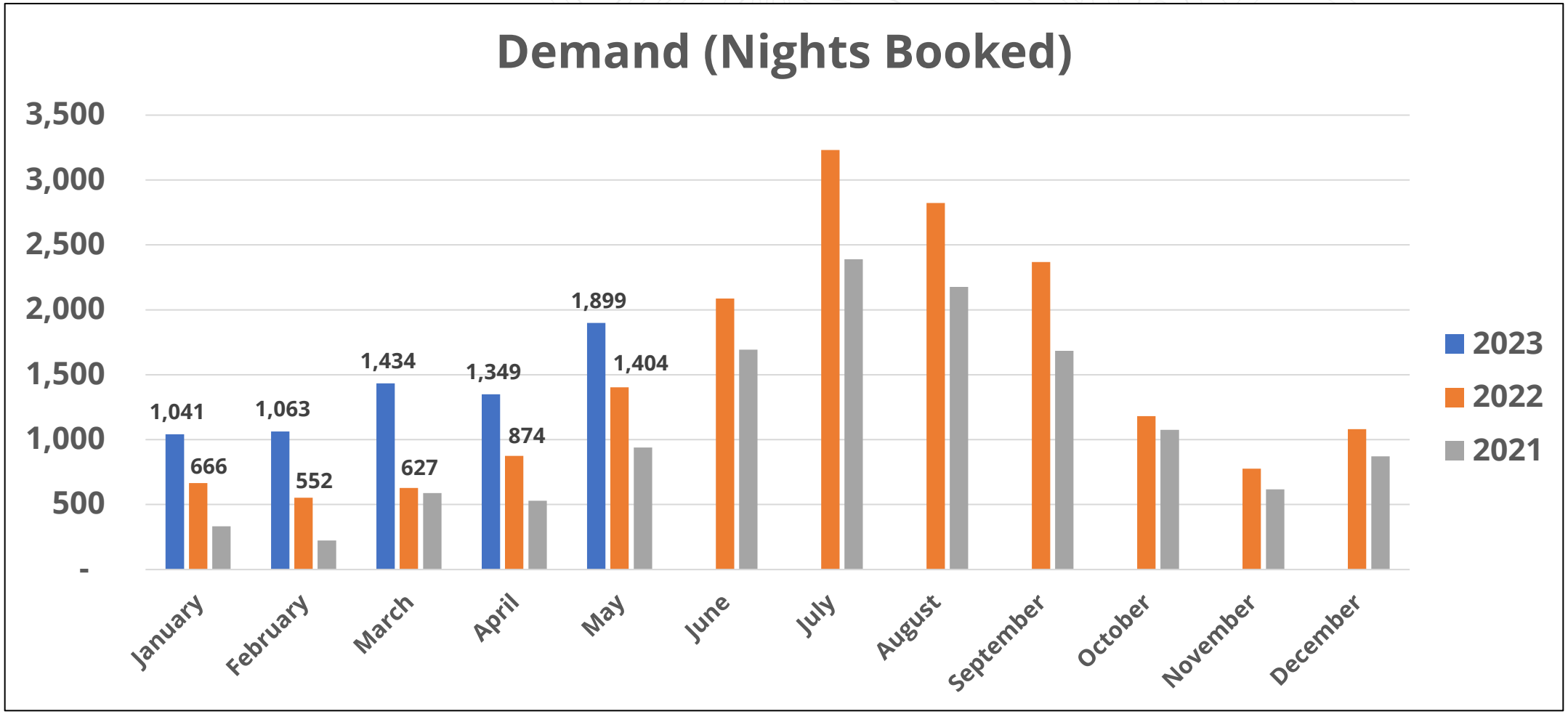
Kalispell Short Term Rentals Supply increased 68.8%, Demand increased 35.3%, and Total Revenue increased 35.7% Year-Over-Year



Source: AirDNA (Entire Place Properties only)

AirDNA Short Term Rentals – Demand

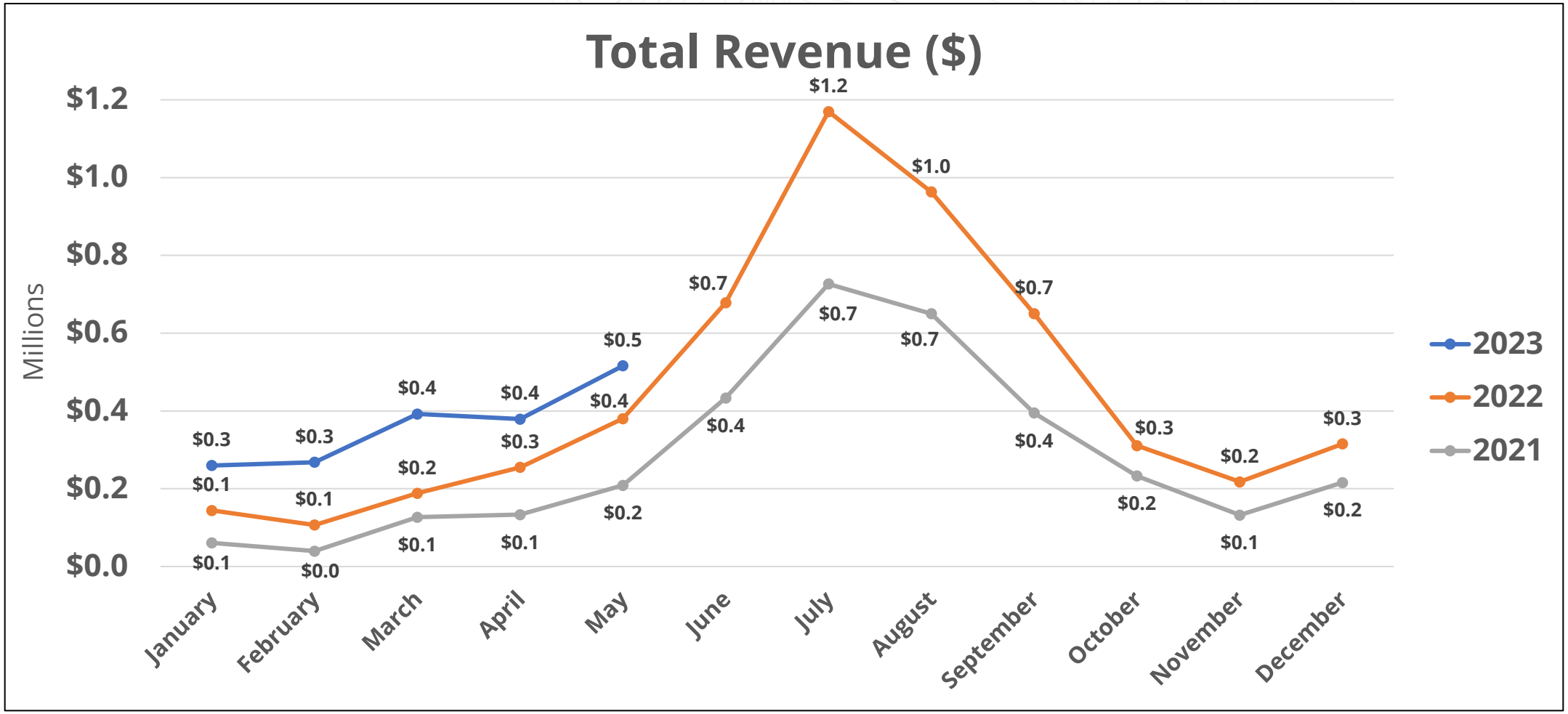
Kalispell Short Term Rentals Supply increased 68.8%, Demand increased 35.3%, and Total Revenue increased 35.7% Year-Over-Year



Source: AirDNA (Entire Place Properties only)

AirDNA Short Term Rentals – Total Revenue

Kalispell Short Term Rentals Supply increased 68.8%, Demand increased 35.3%, and Total Revenue increased 35.7% Year-Over-Year

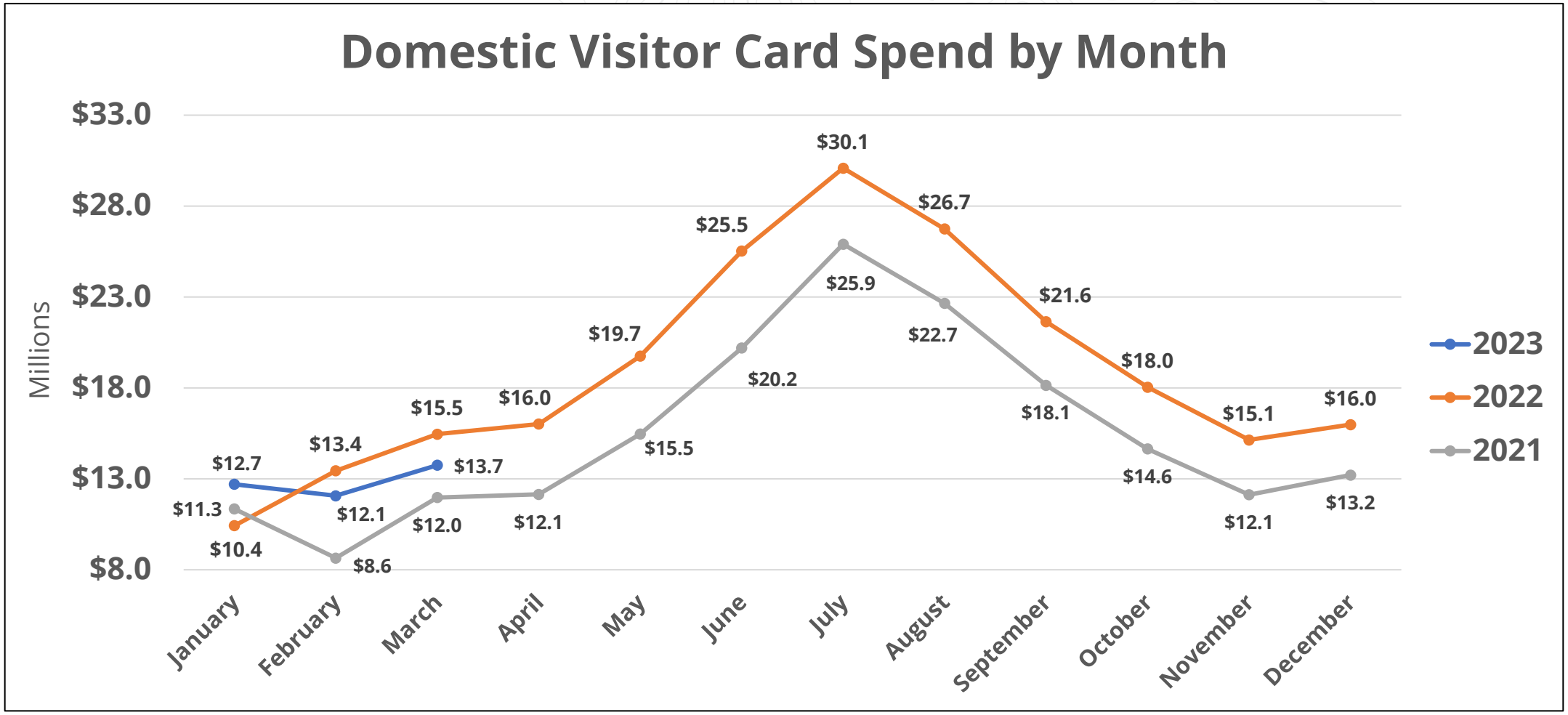


Source: AirDNA (Entire Place Properties only)

SECTION 04.

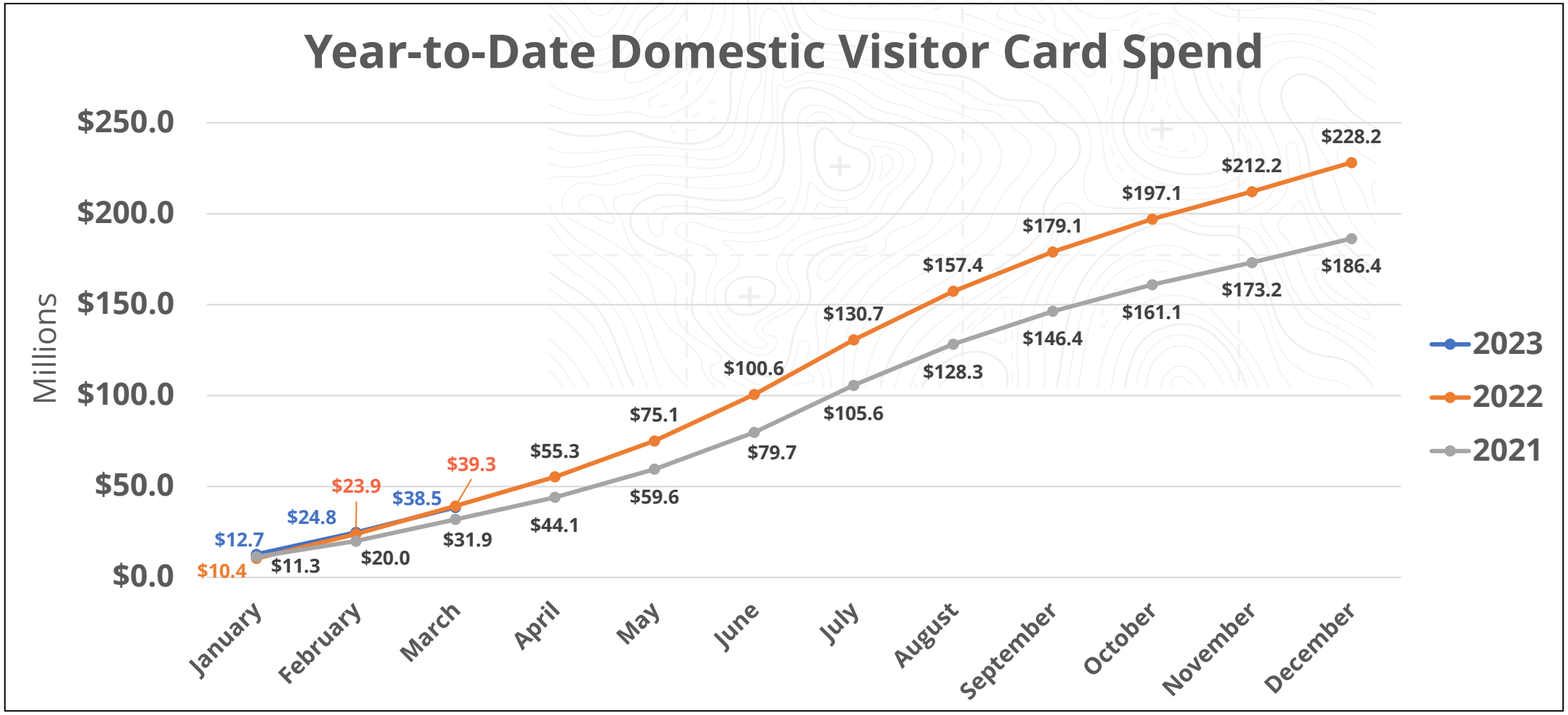
Visa Destination Insights

Visa – Domestic Visitor Spending



Source: Visa Destination Insights

Visa – Domestic Visitor Spending



Source: Visa Destination Insights

Visa – Domestic Visitor Origin

Rank	Origin Market	Spend ($)	YoY % Change	Card Count	YoY % Change
1	Missoula	$1,353,404	+4%	9,604	+24%
2	Seattle-Tacoma-Bellevue	$748,086	+13%	3,168	-3%
3	Salt Lake City	$544,631	-44%	18,438	-43%
4	Bozeman	$417,112	+9%	3,167	+27%
5	New York-Jersey City	$409,493	-71%	1,388	-56%
6	Helena	$402,285	+6%	3,135	+11%
7	Great Falls	$394,814	+8%	2,986	+1%
8	Los Angeles-Long Beach-Anaheim	$371,860	-3%	1,684	+13%
9	Portland-Vancouver-Hillsboro	$371,427	+18%	1,920	-5%
10	Spokane	$299,647	+3%	2,272	+6%
11	Billings	$259,094	+9%	1,462	+7%
12	Phoenix-Mesa-Chandler	$254,266	-9%	1,236	+6%
13	San Francisco-Oakland-Berkeley	$241,117	+24%	1,526	+123%
14	Coeur d'Alene	$231,171	-13%	1,549	+2%
15	San Diego-Chula Vista-Carlsbad	$224,309	-16%	853	-4%

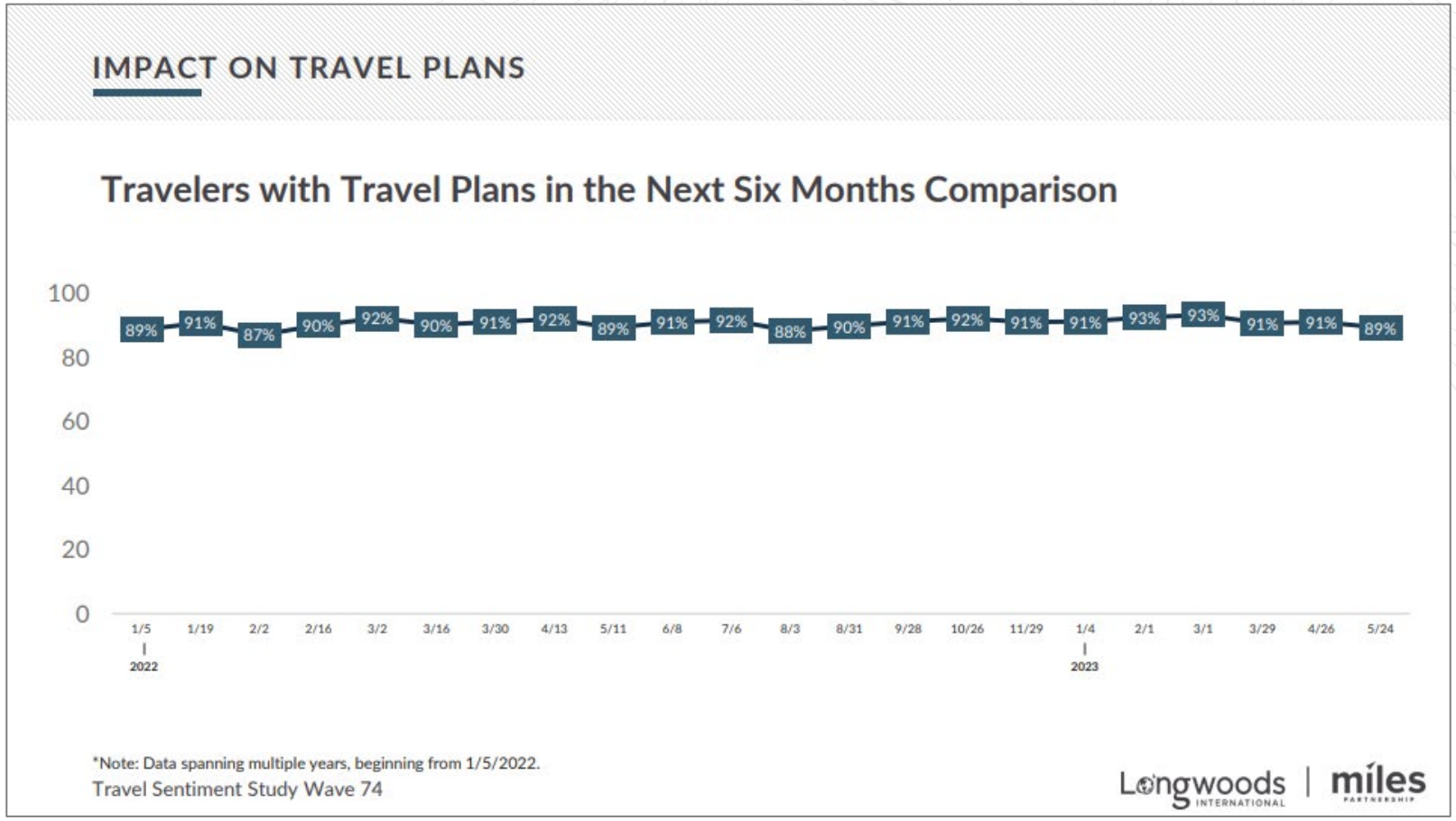
Source: Visa Destination Insights

SECTION 05.

Consumer Sentiment & Macroeconomic Data

LONGWOODS INTERNATIONAL – Travel Sentiment Study Wave 74

***Survey Fielded May 24, 2023; US National Sample of 1,000 adults 18+**



Source: Longwoods International

LONGWOODS INTERNATIONAL – Travel Sentiment Study Wave 74

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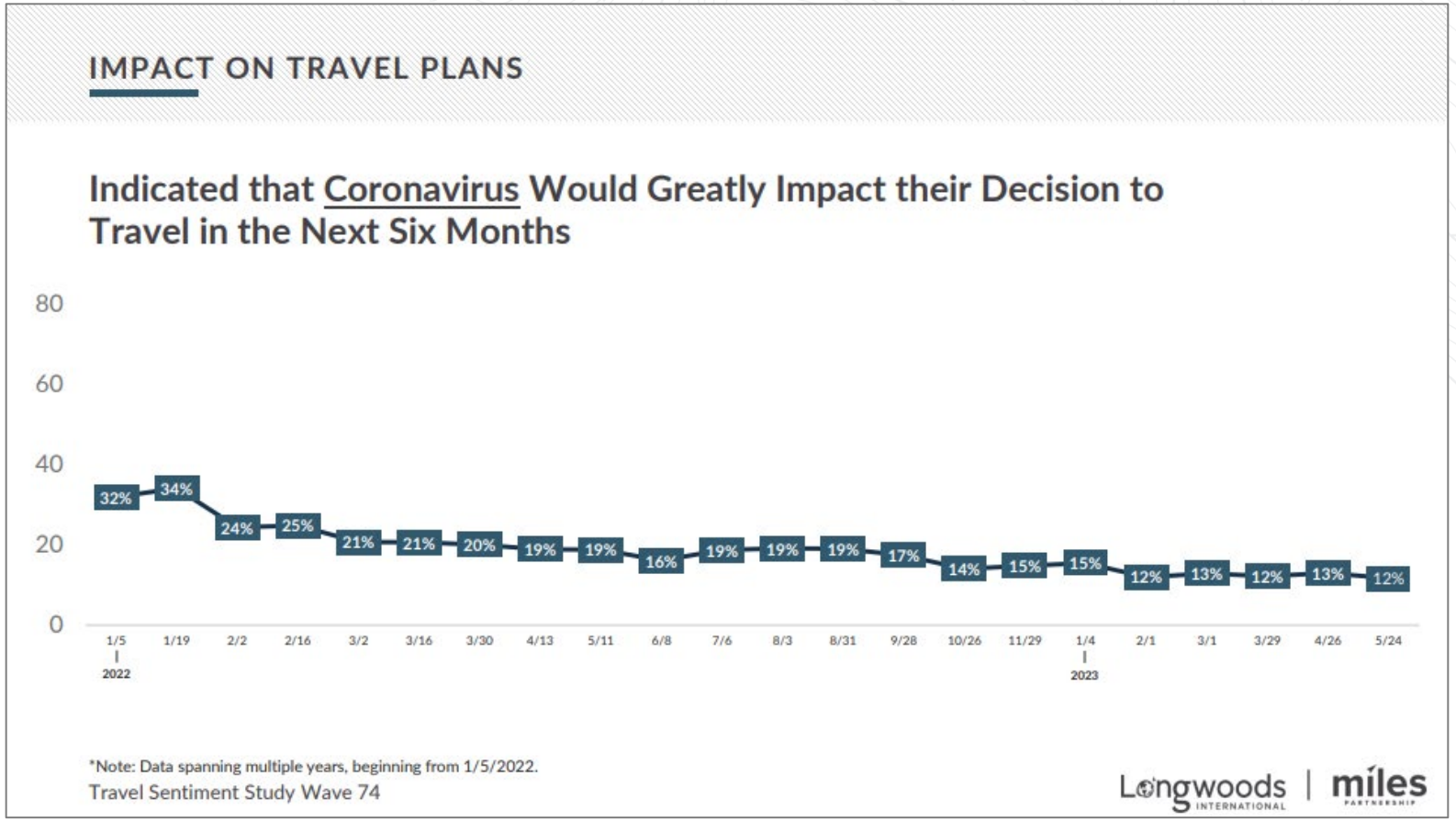

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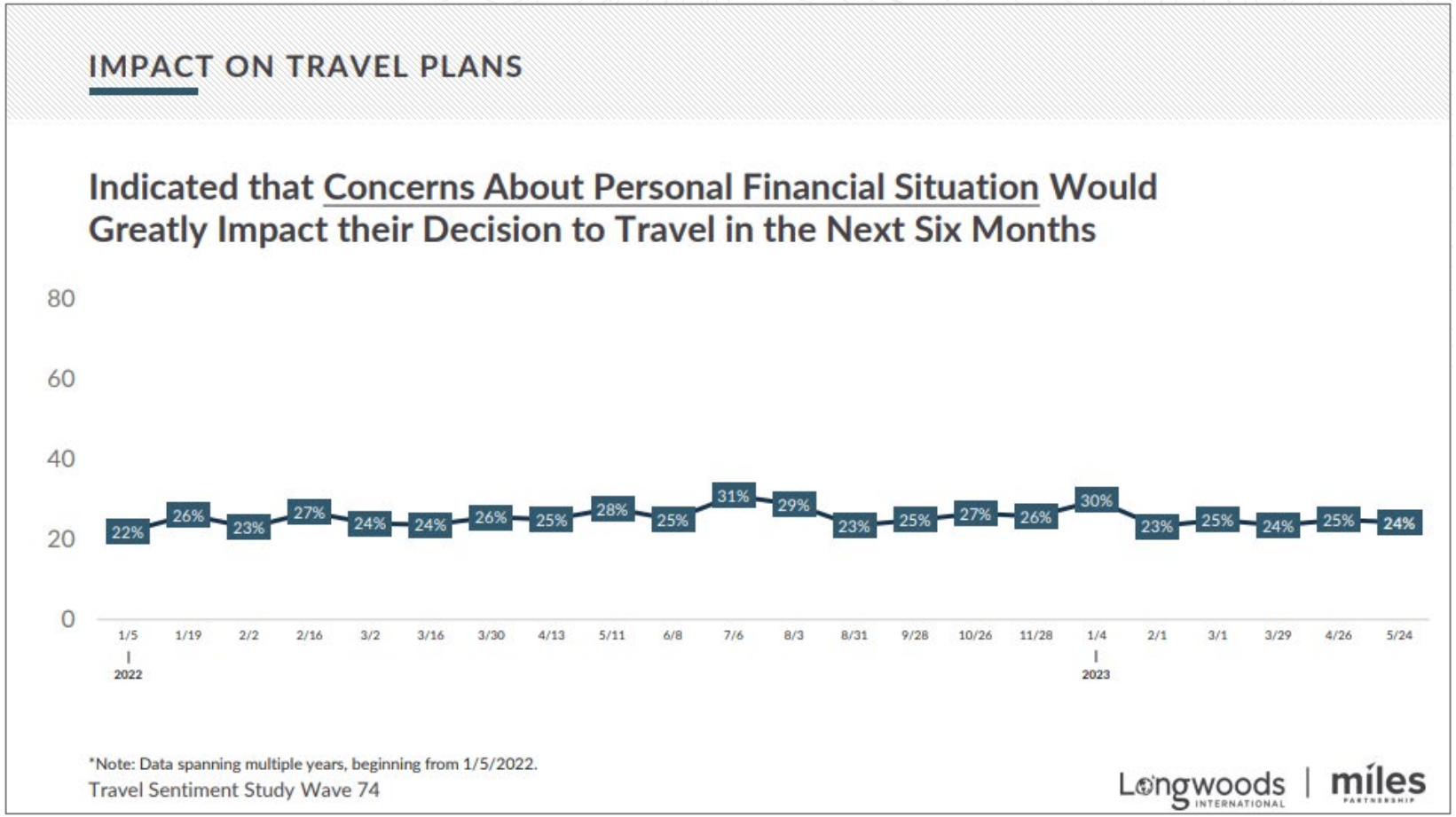

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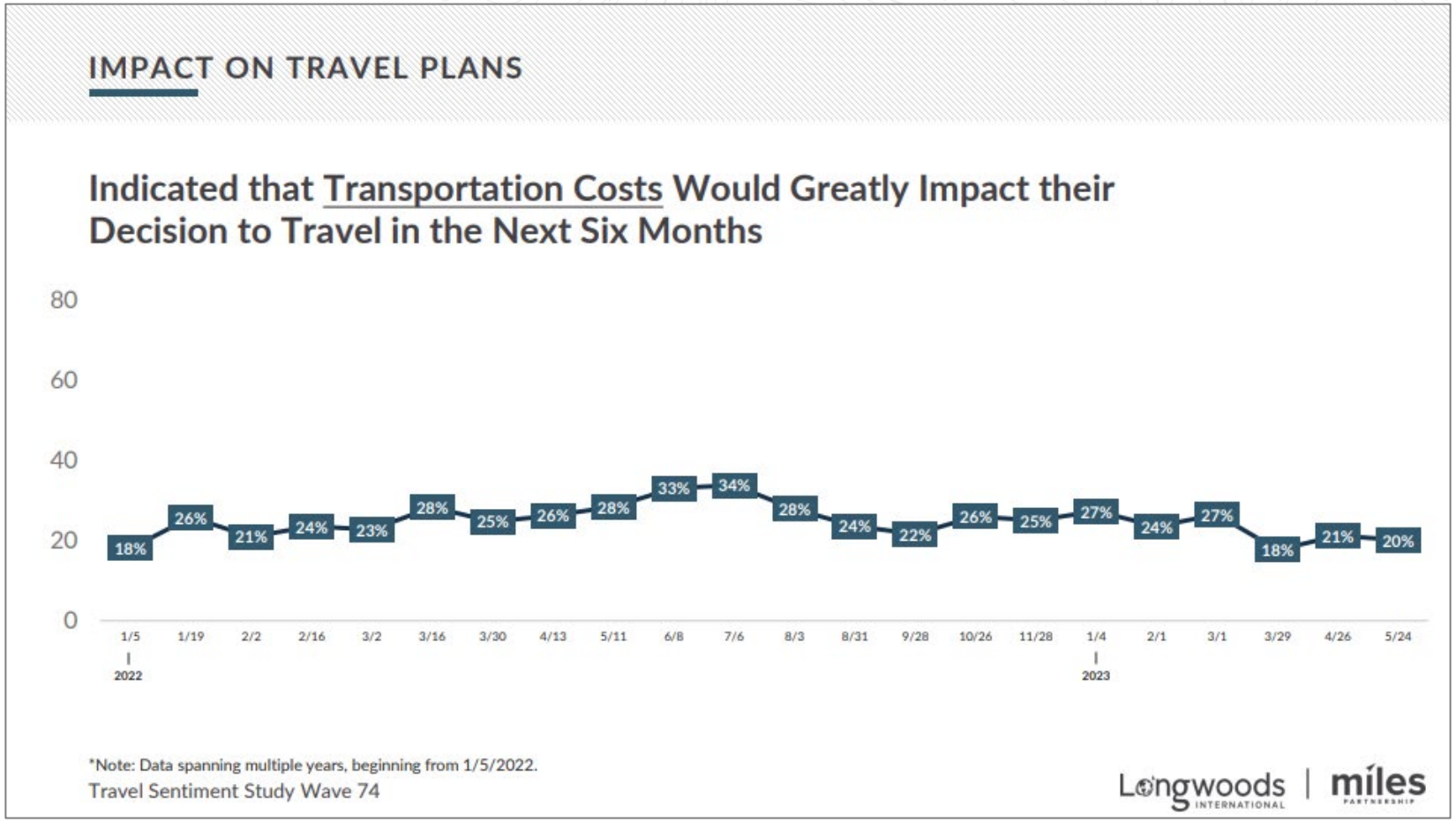

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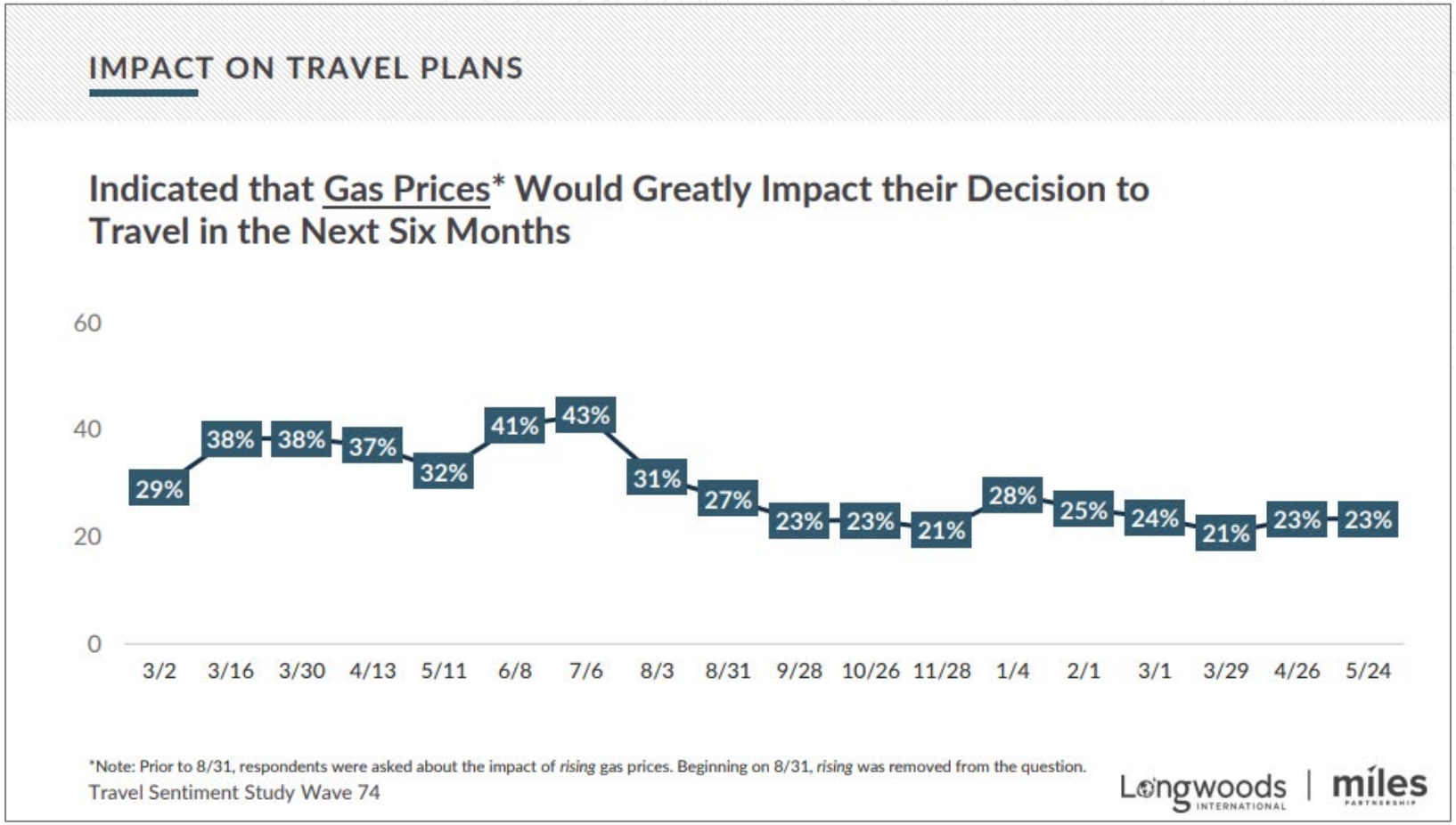

Source: Longwoods International

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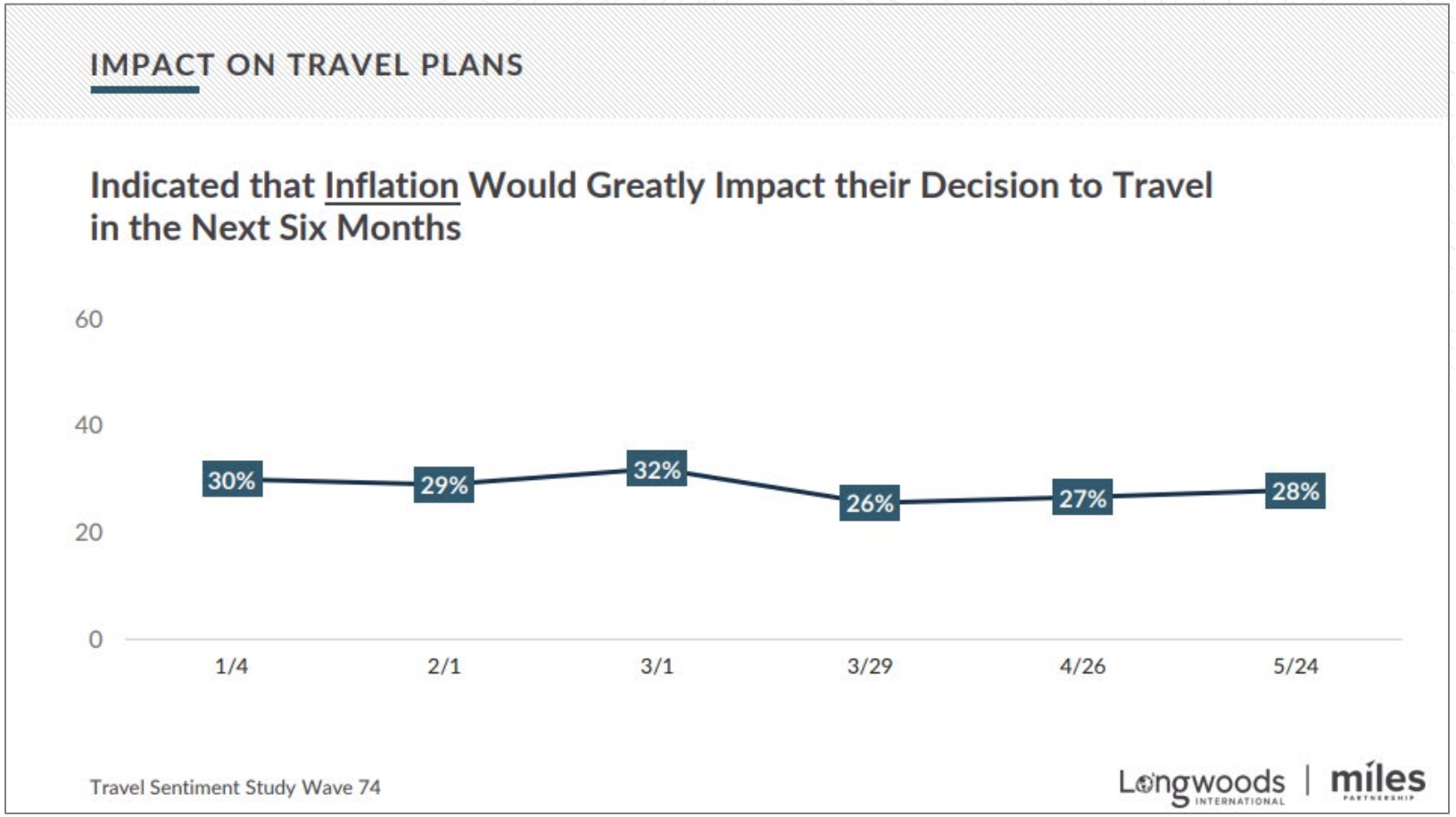

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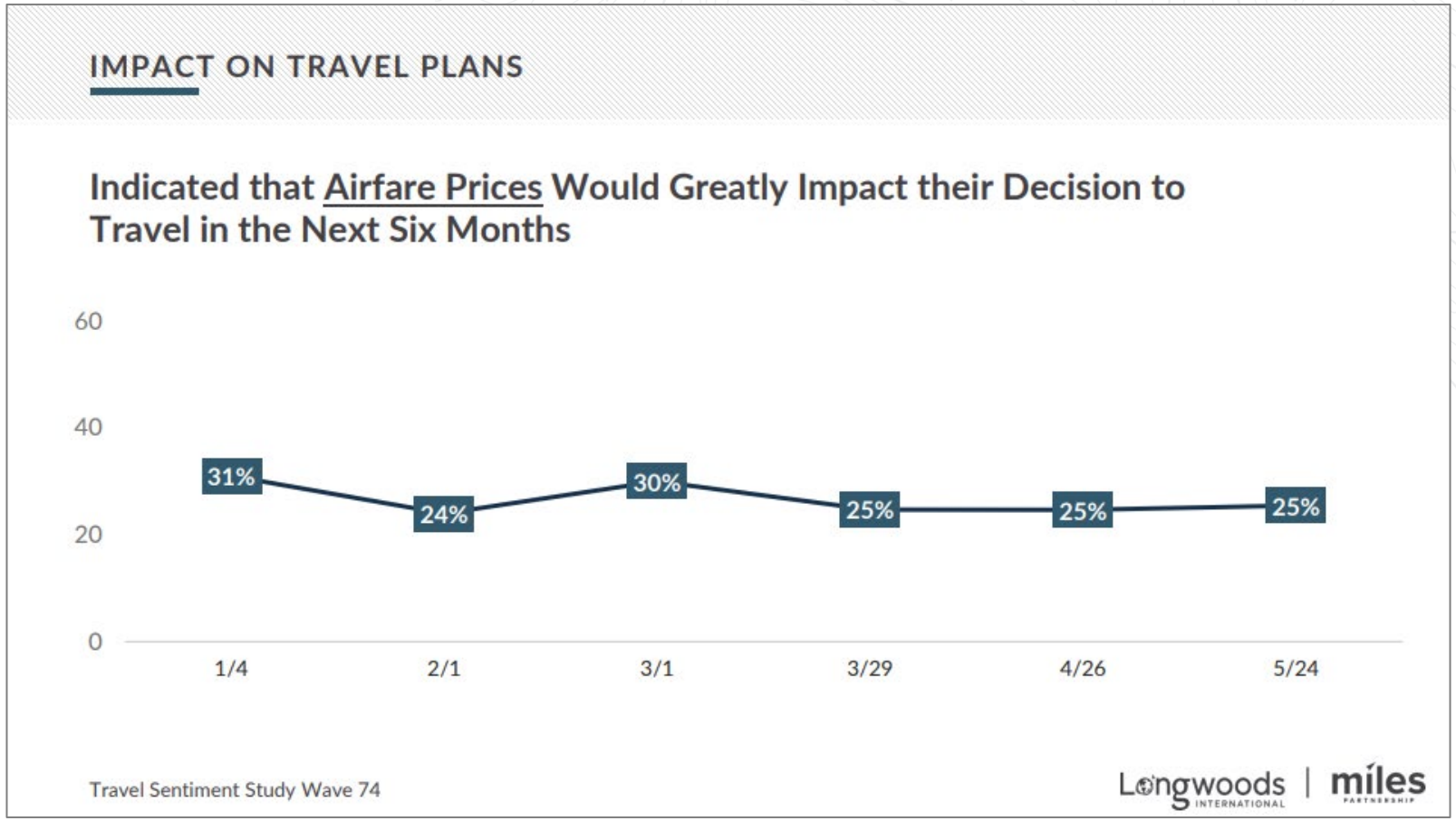
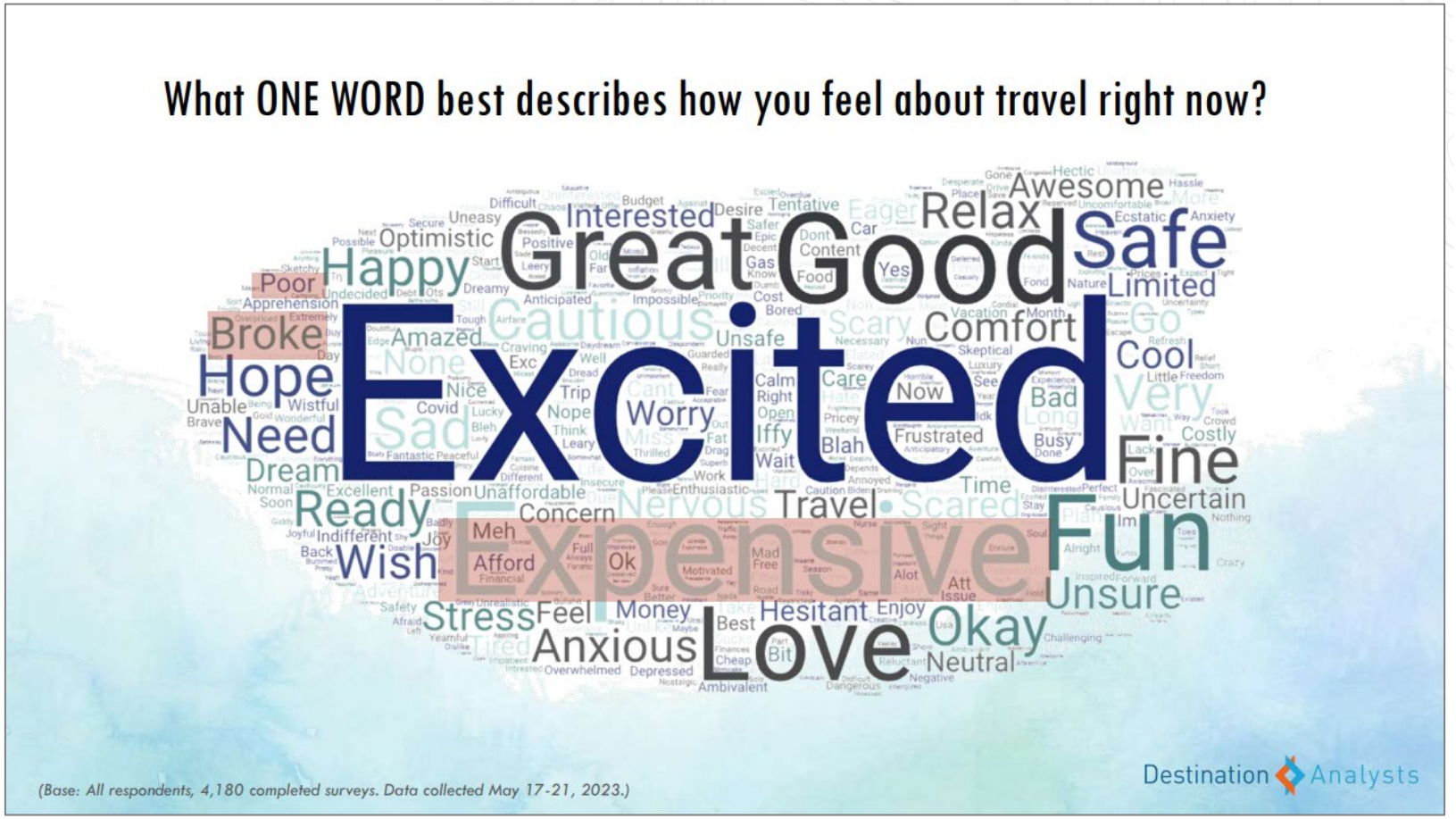


Source: Longwoods International

DESTINATION ANALYSTS – The State of the American Traveler

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



Source: Destination Analysts

DESTINATION ANALYSTS – The State of the American Traveler

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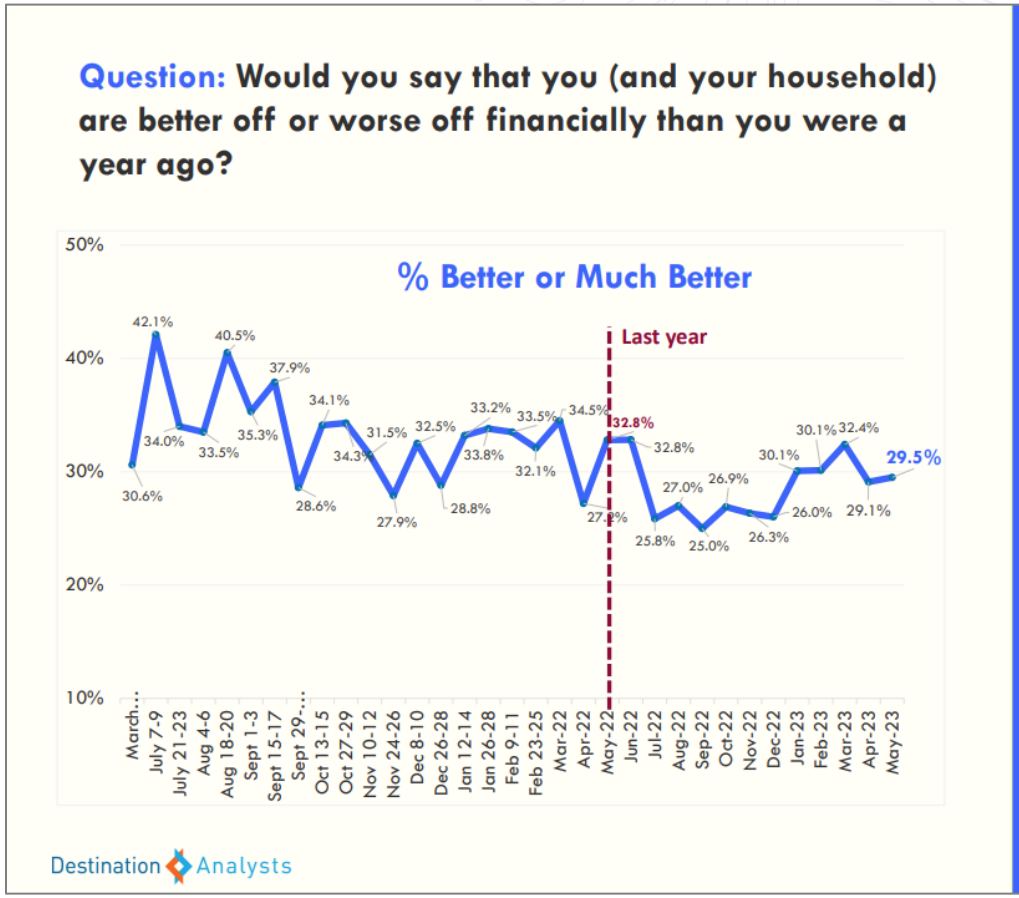
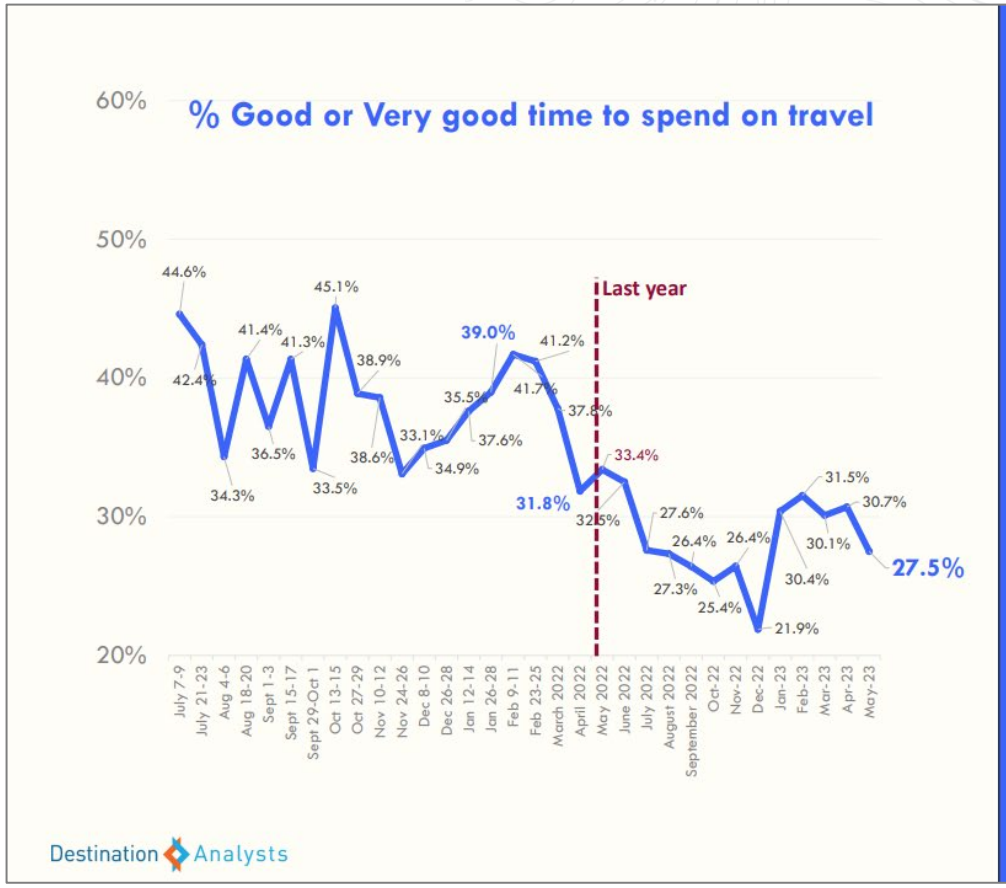


Leading into the summer season. travelers are feeling somewhat less financially well off than they were one year ago.

Source: Destination Analysts

DESTINATION ANALYSTS – The State of the American Traveler

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



The proportion of Americans who feel it is a "good time" to spend on leisure travel dropped again this month.

Source: Destination Analysts

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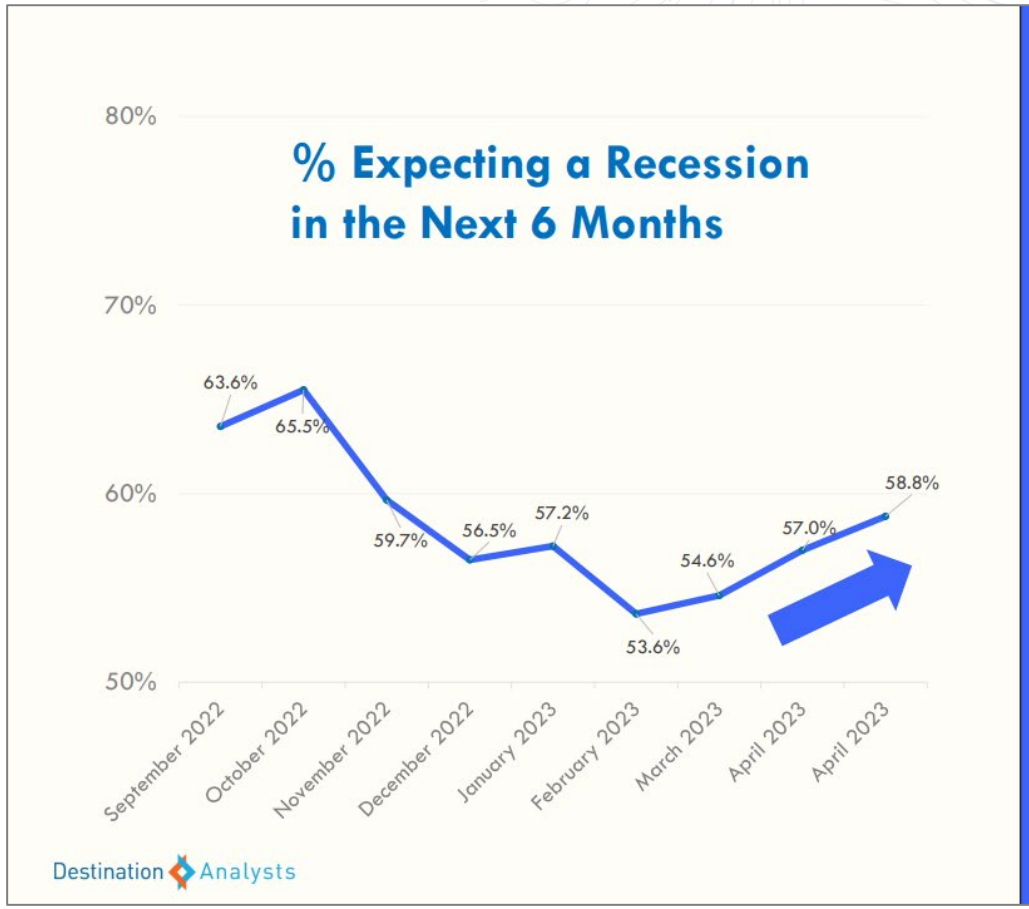

Recessionary concerns continue to be widespread.

Source: Destination Analysts

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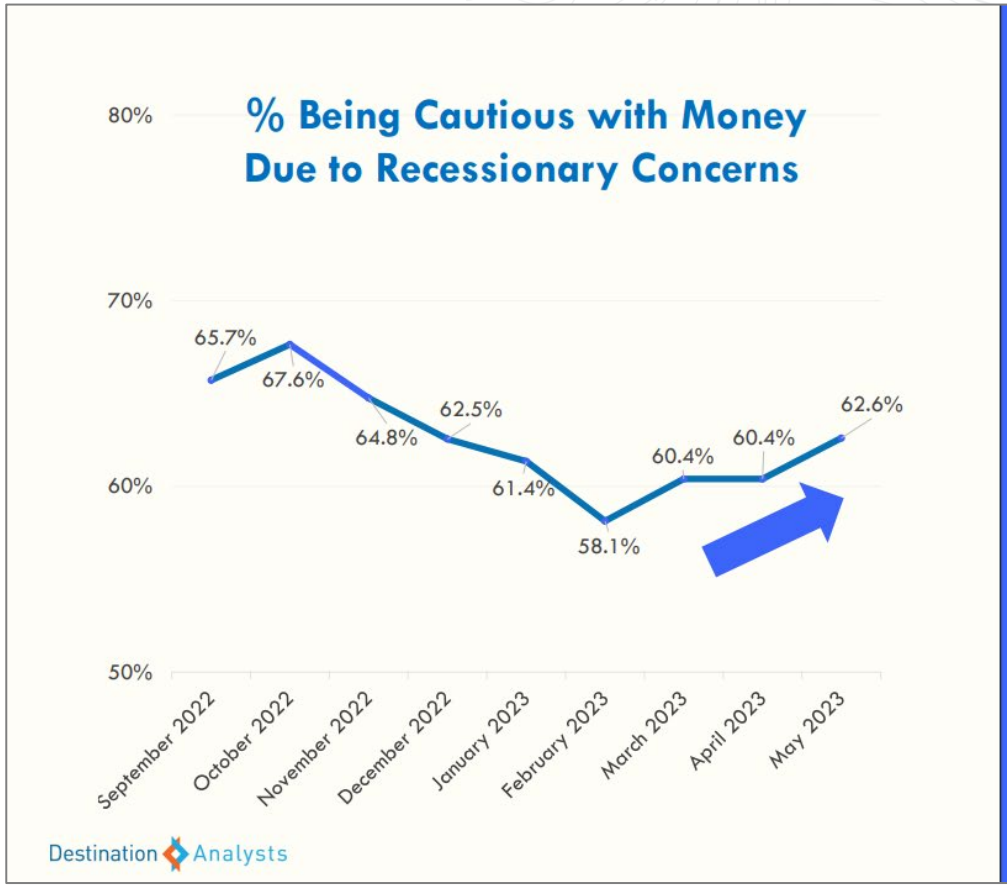

More travelers are exercising spending caution due these recessionary concerns.

Source: Destination Analysts

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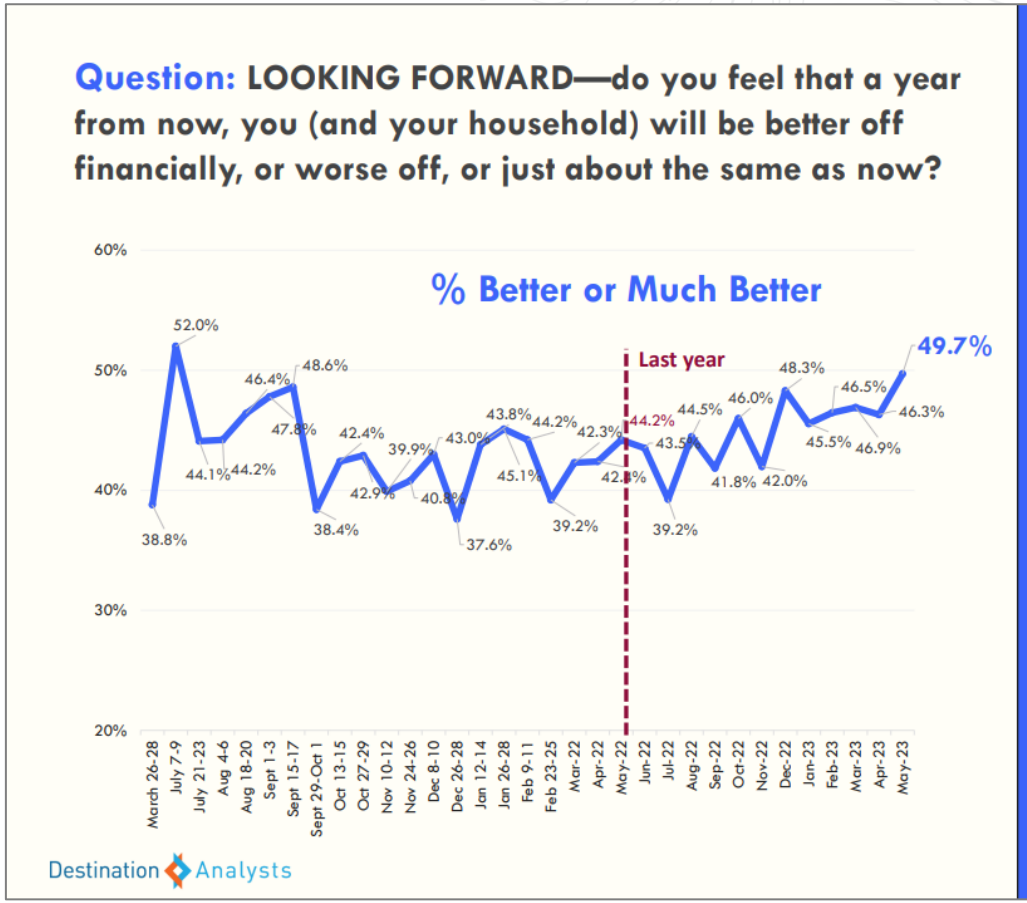

Traveler expectations for their financial prospects in the next year have been trending upward.

Source: Destination Analysts

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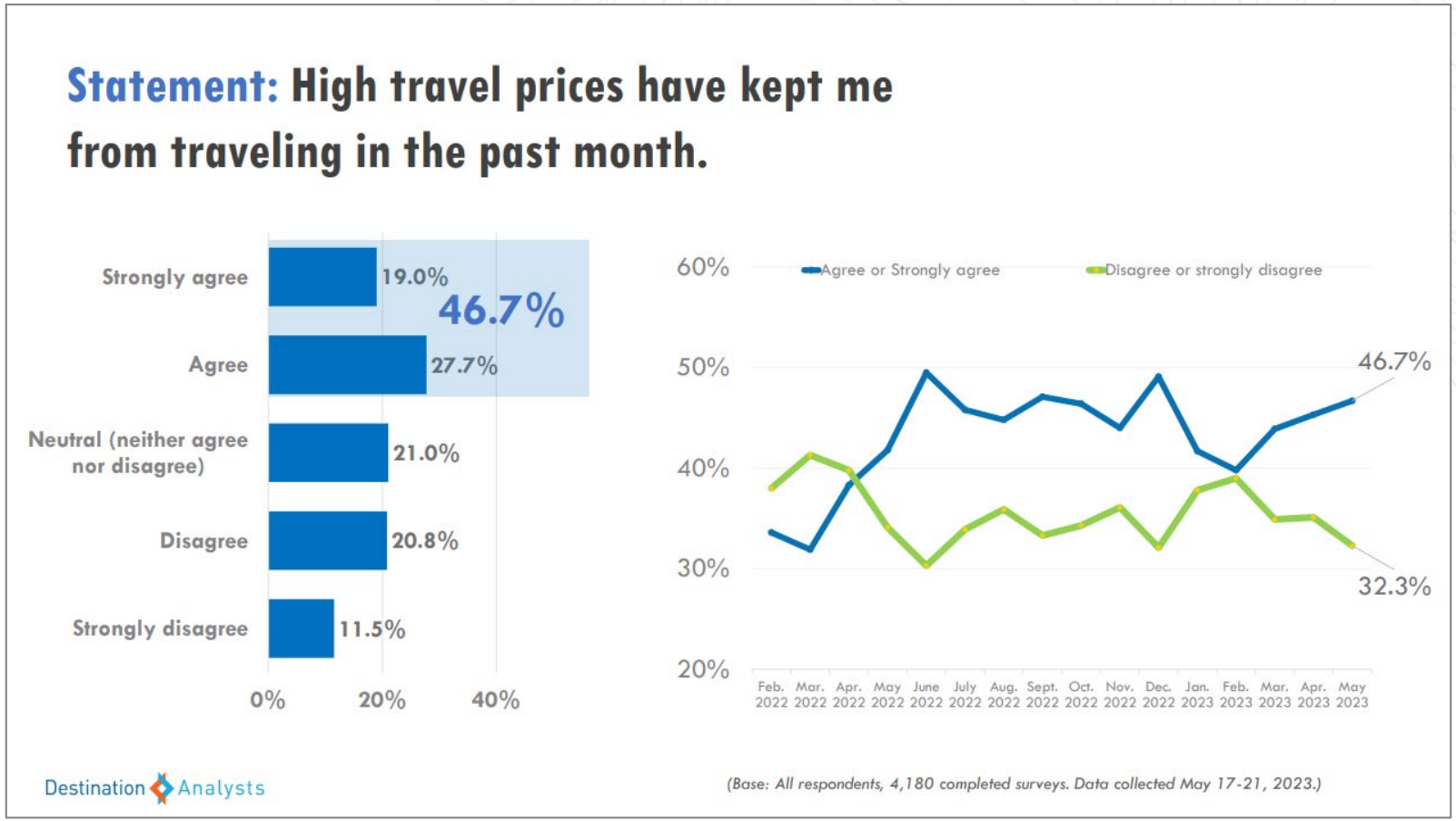

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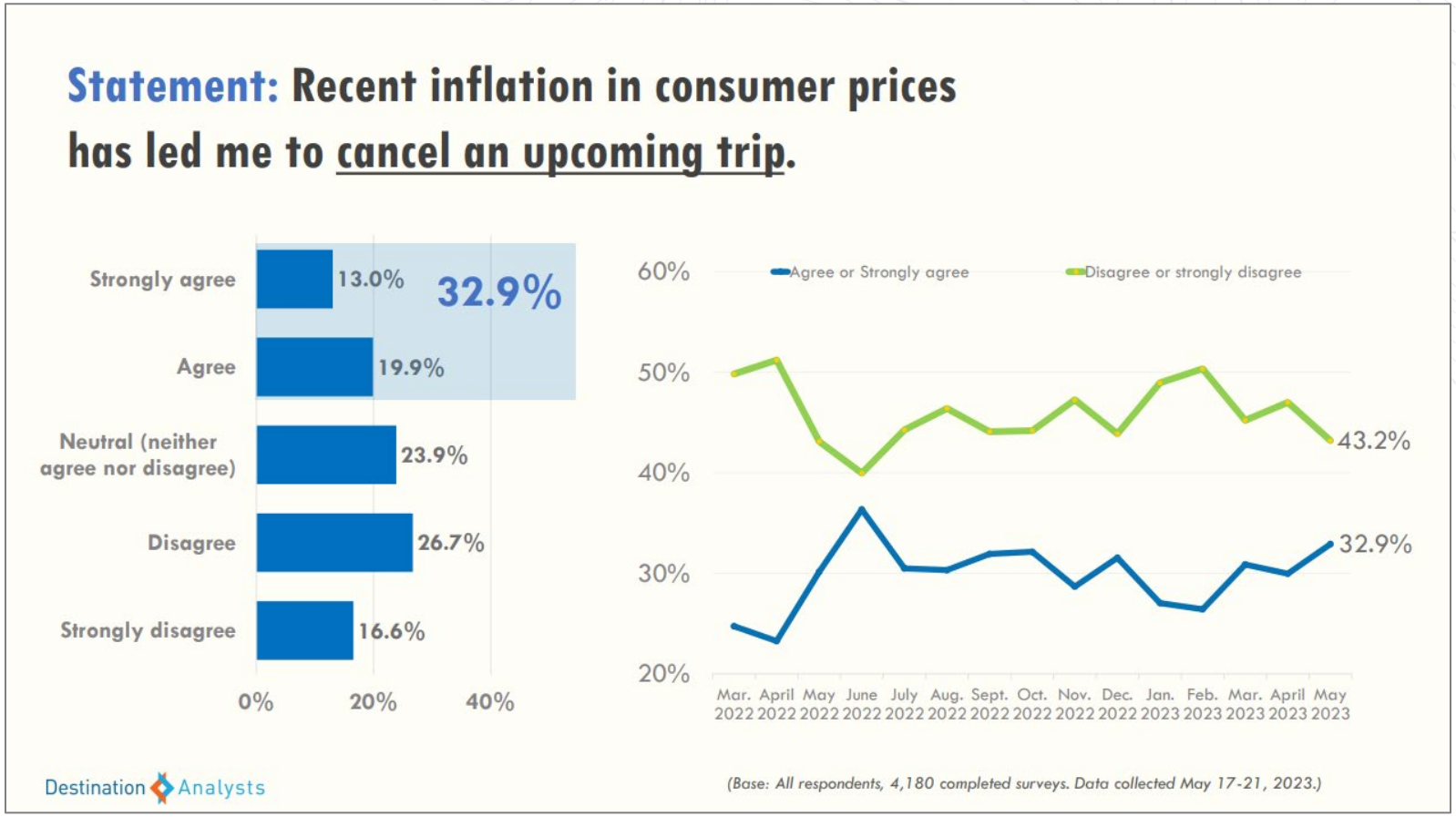

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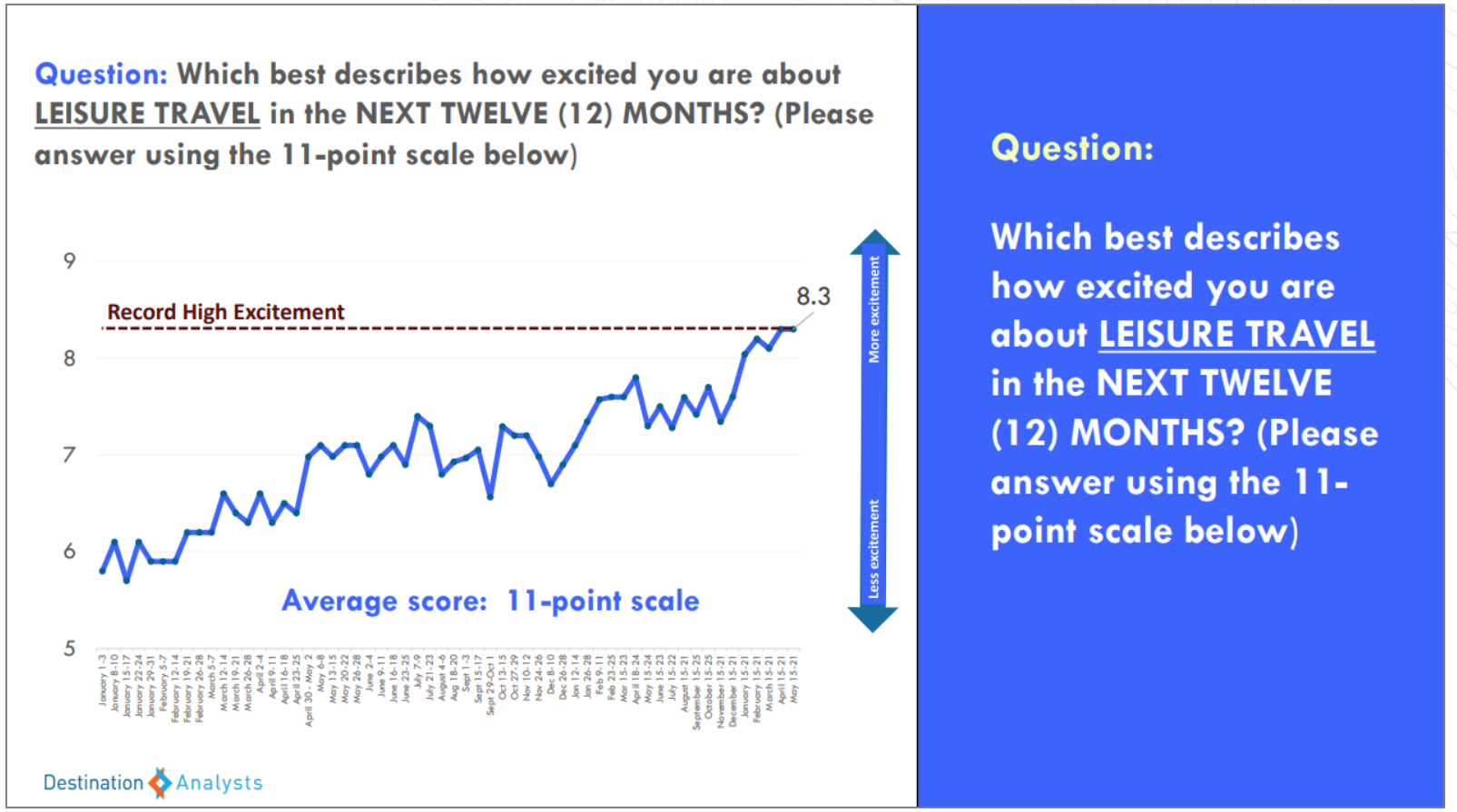

Source: Destination Analysts

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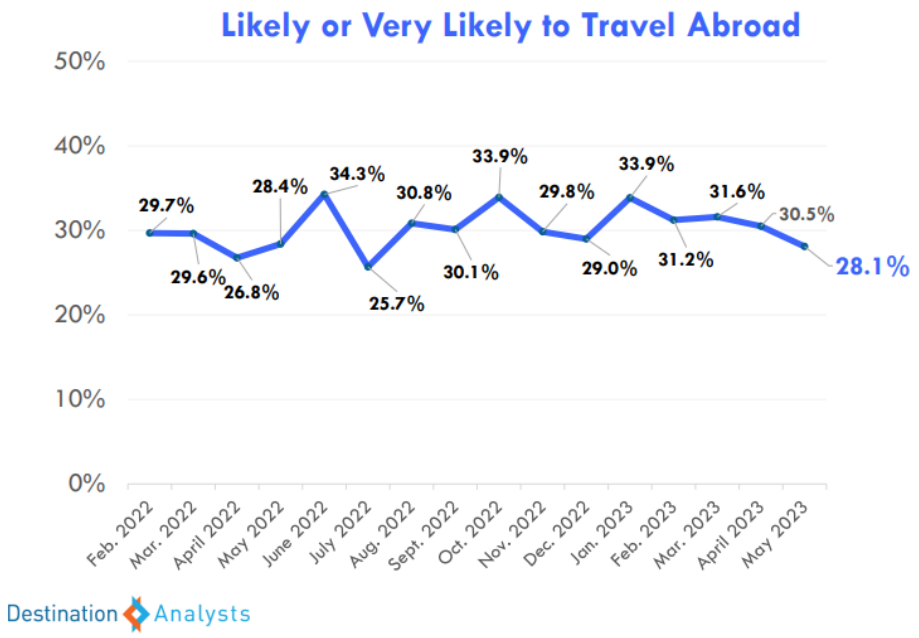
Question: How likely are you to travel outside the United States for leisure in the NEXT TWELVE (12) MONTHS?



Expectations for travel outside the United States have been moving slowly downward this year.

Source: Destination Analysts

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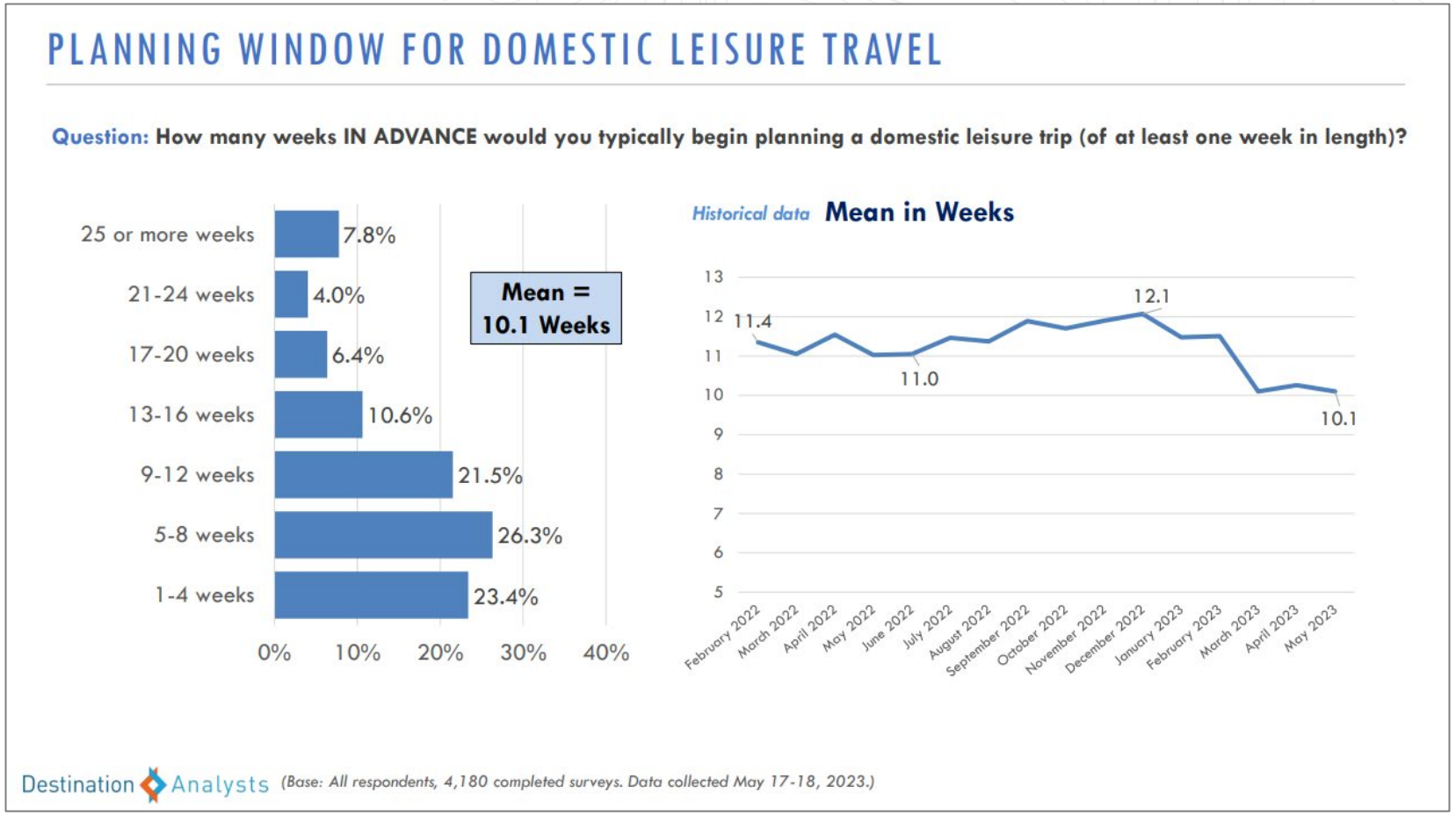

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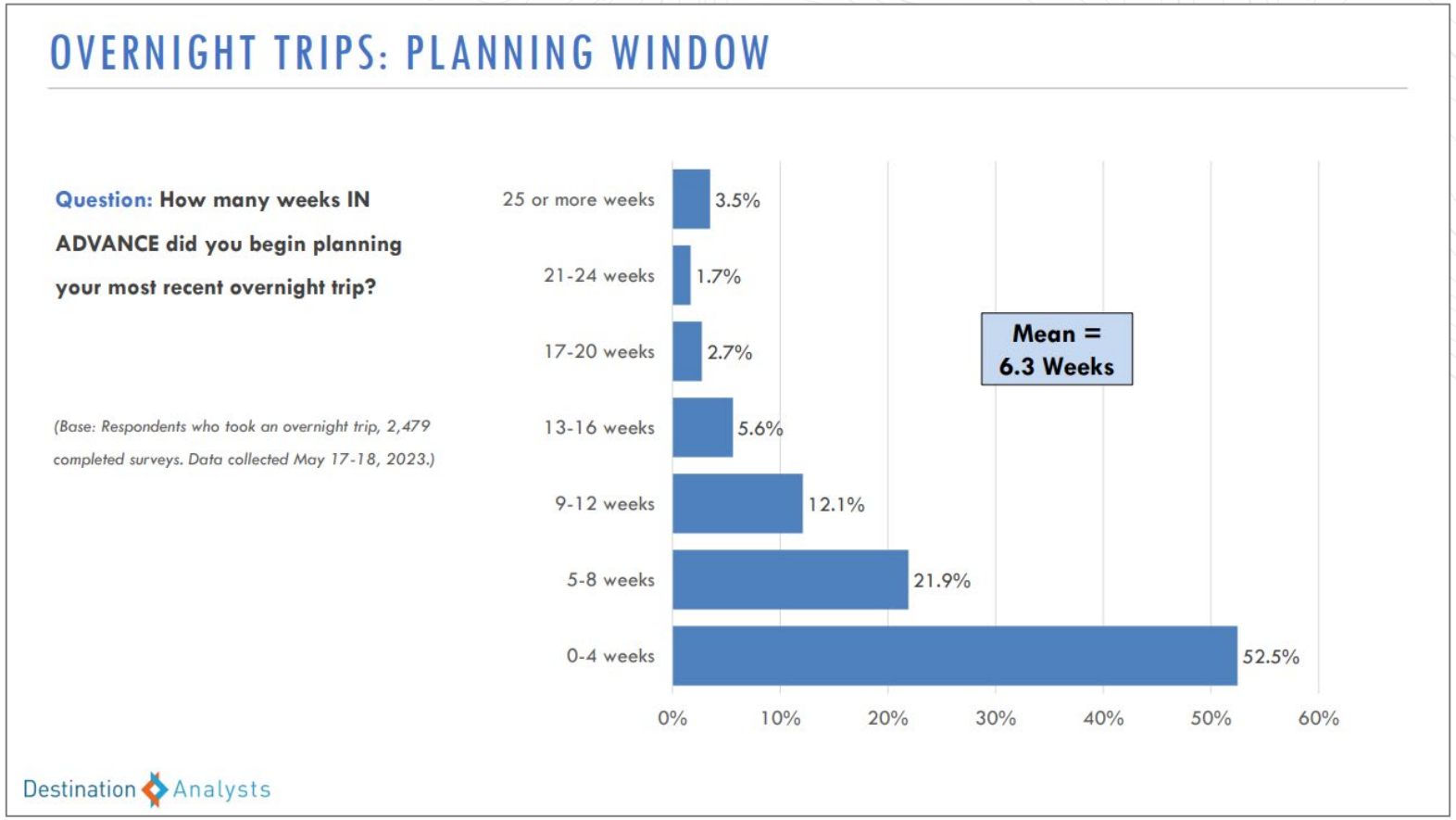

Source: Destination Analysts

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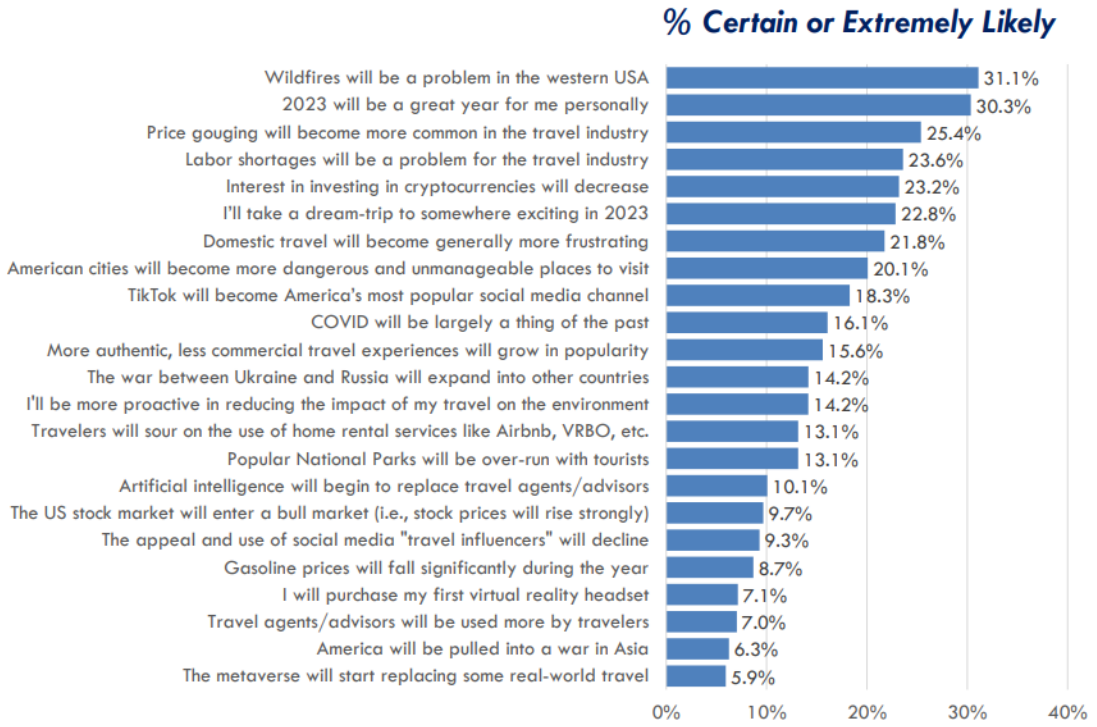
2023 OUTLOOK

Question: Let's talk about next year. Thinking about how 2023 will evolve, how likely do you think each of the following will be? (Please use the scale below to give us your best guess for each)

(Base: All respondents, 4,017 completed surveys. Data collected December 15-24, 2022.)



Destination Analysts

Source: Destination Analysts

DISCOVER Kalispell MT

Thank You!

BLUE ROOM RESEARCH