Monthly Research Update

June 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 in 2023.
- Concerns around recession, personal finances, and elevated travel prices still exist, but have begun to wane in recent weeks. A significant number of travelers remain apprehensive about wildfires in Western states this summer.
- Shorter booking windows for the summer travel season are being seen industry wide and will likely persist into the fall.
- **National Travel Trends**
- June short term rental performance largely mirrored the same trends seen in May, with decreasing Occupancy rates compared to previous years, the decline of pricing power and RevPAR, and stay lengths consistent with last year. One notable difference, however, is that net reservations were higher than in 2022, 2021, and 2019.
- The inflation rate in the United States slowed yet again in June, which marked a full year of YoY inflation rate decreases. Americans are still paying an average of approximately 3% more for goods and services than in May of last year.
- Gasoline costs increased 1.0% from May to June 2023, following a 5.6% decrease from April to May 2023. Airfare decreased by 8.1% in June after falling 3% from April to May 2023.

Executive Summary

Kalispell Trends

- Glacier Park International Airport traffic remains elevated in 2023, with total YTD passenger counts through June 2023 up 3.8% compared to the same time period last year.
  - June 2023 passenger counts were flat compared to June 2022.
- Although Kalispell hotels were down 9.2% YoY in June 2023 in Occupancy, both ADR (+9.8%) and RevPAR (+0.3%) were elevated for the month.
  - Total hotel Revenue was down 4.5% for the month of June.
- Short term rental Total Available Listings grew by 66.9% YoY in June, increasing from 133 Available Listings in June of 2022 to 222 Available Listings in June of 2023.
  - This large increase in supply caused Occupancy to decrease 9.8% from 66% in June of 2022 to 59% in June of 2023, but an increase in total Demand helped Revenue grow by 40.6% YoY.
- Visitor Visa card spend in Kalispell through Q1 2023 remains relatively healthy and is flat compared to Q1 2022.
  - *Note: Visa Destination Insights reports data quarterly and Discover Kalispell has not yet received Q2 2023 data.*

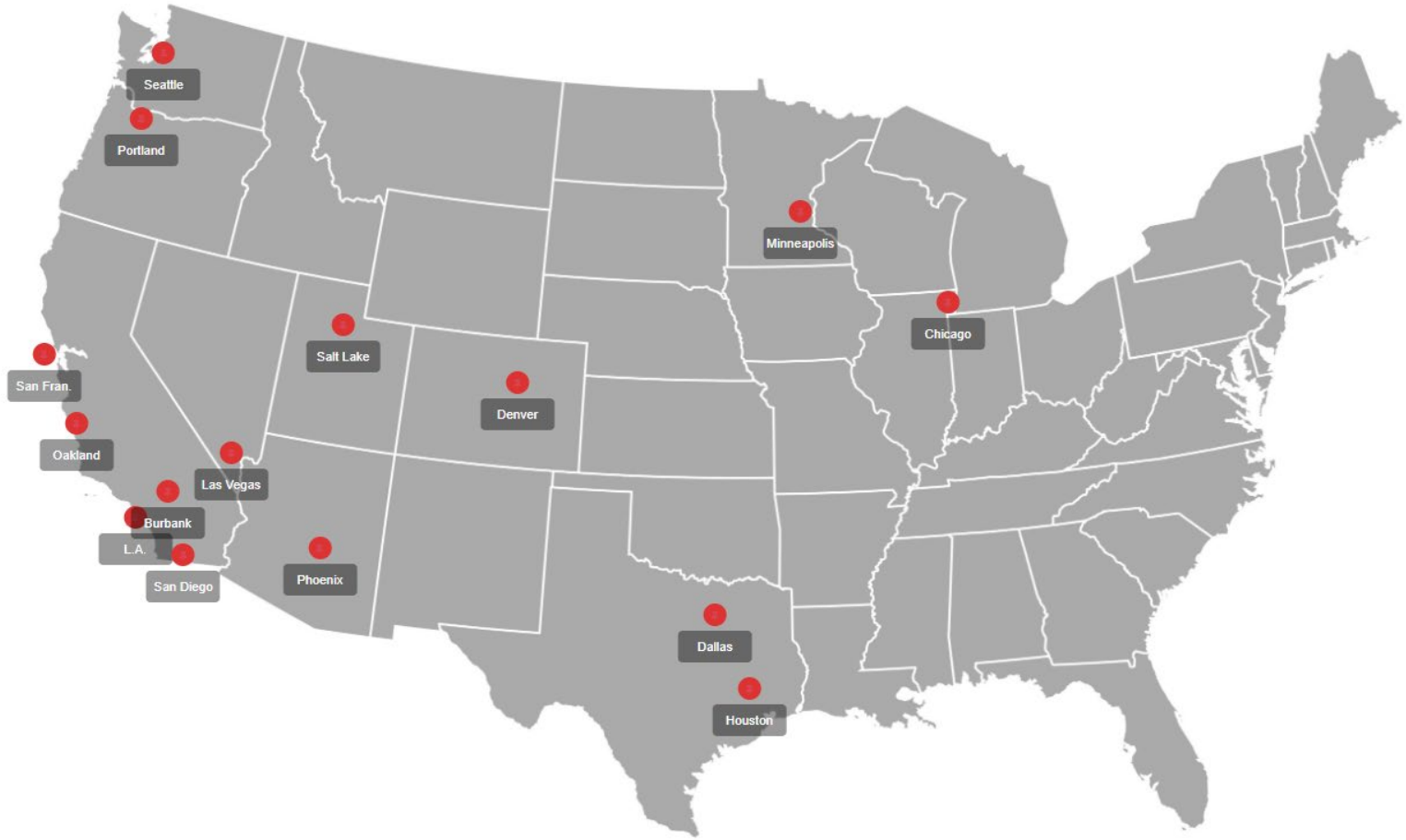
SECTION 01.

Glacier Park International Airport Data

Glacier Park International Airport

Direct Flights

MAJOR CITIES SERVED



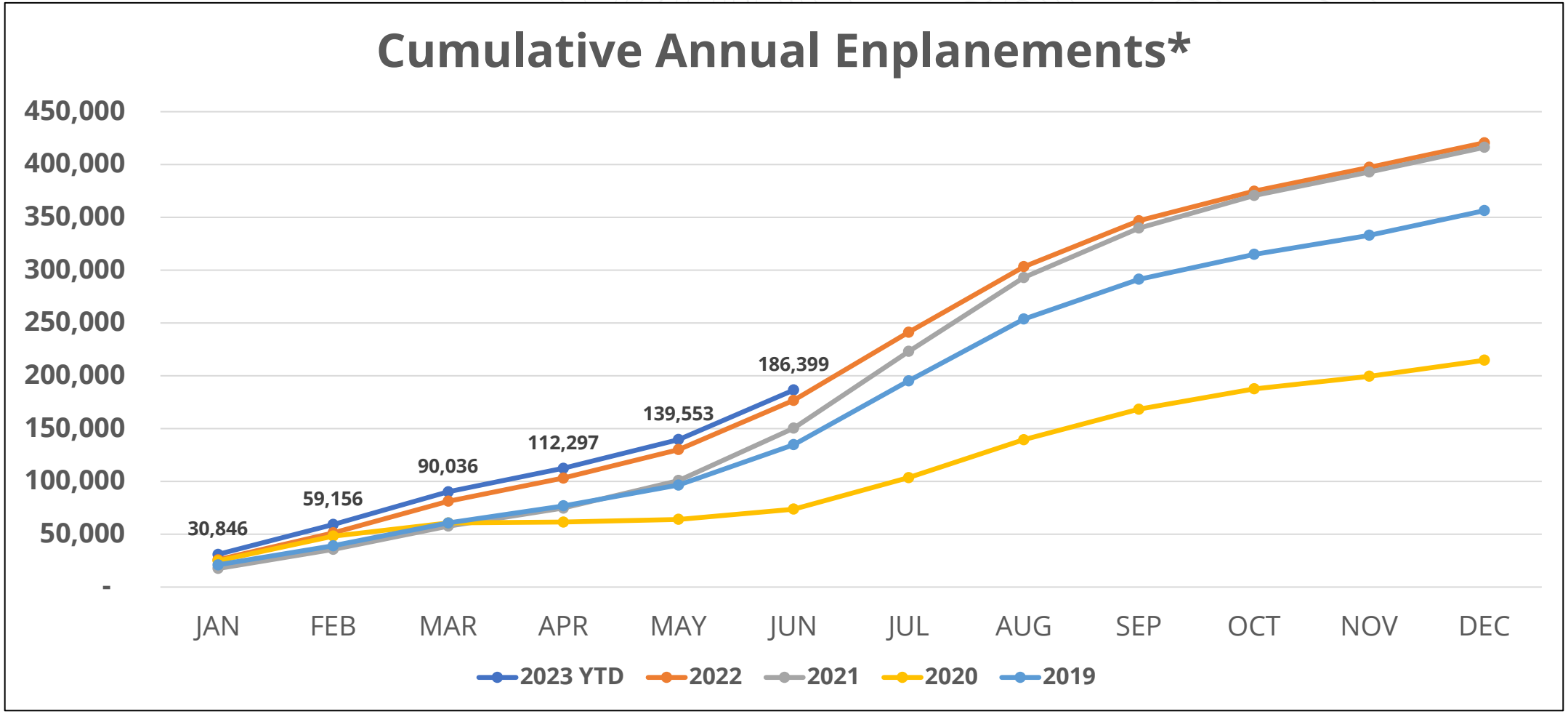
Source: Glacier Park International Airport

Glacier Park International Airport

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	54,653	56,807	-4.2%	52,994	3.1%
June	96,564	97,429	0.0%	103,426	-6.6%
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	370,188	356,560	3.8%	304,462	21.6%
Total		832,145		826,096	

Source: Glacier Park International Airport

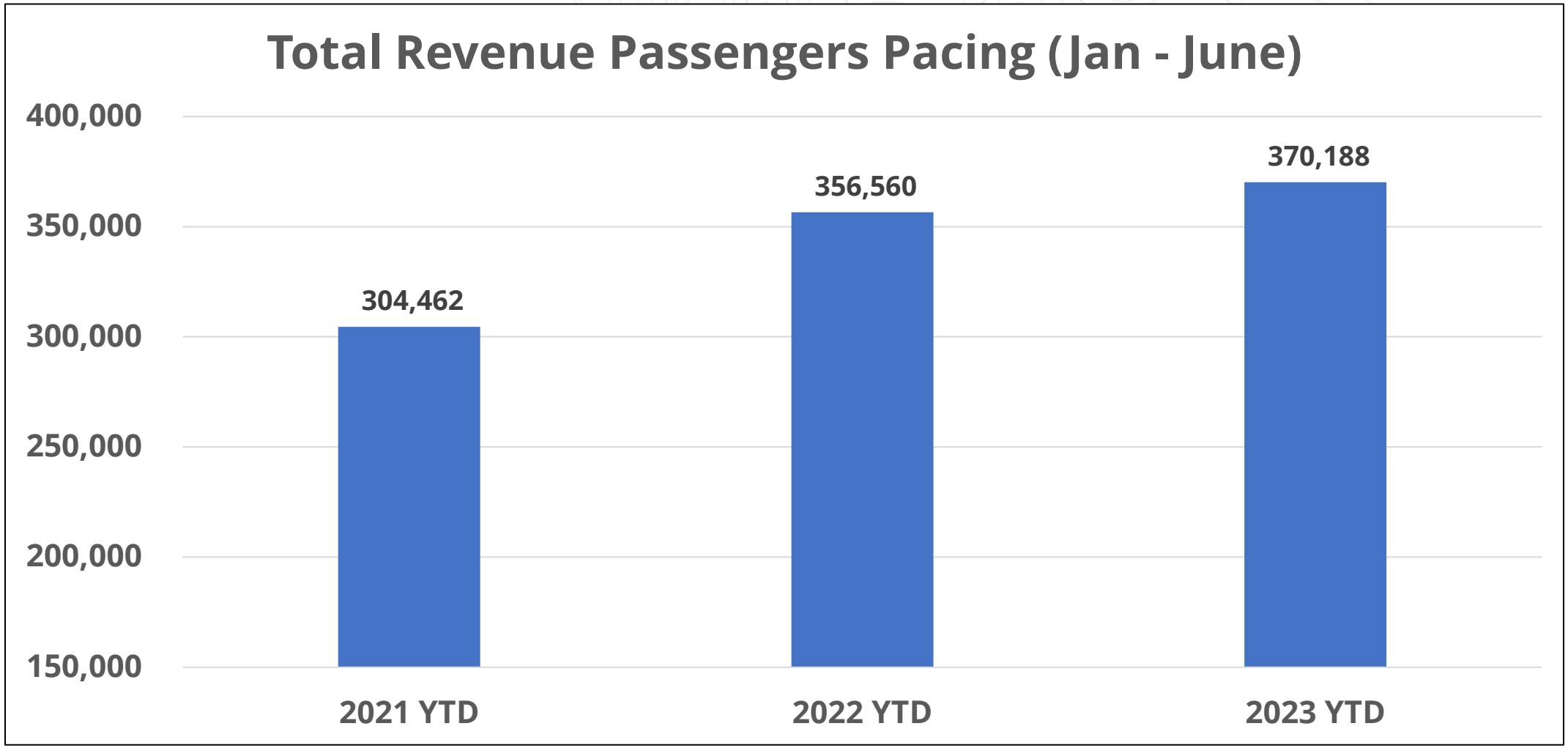
Glacier Park International Airport



** Enplanements only (not total passengers)*

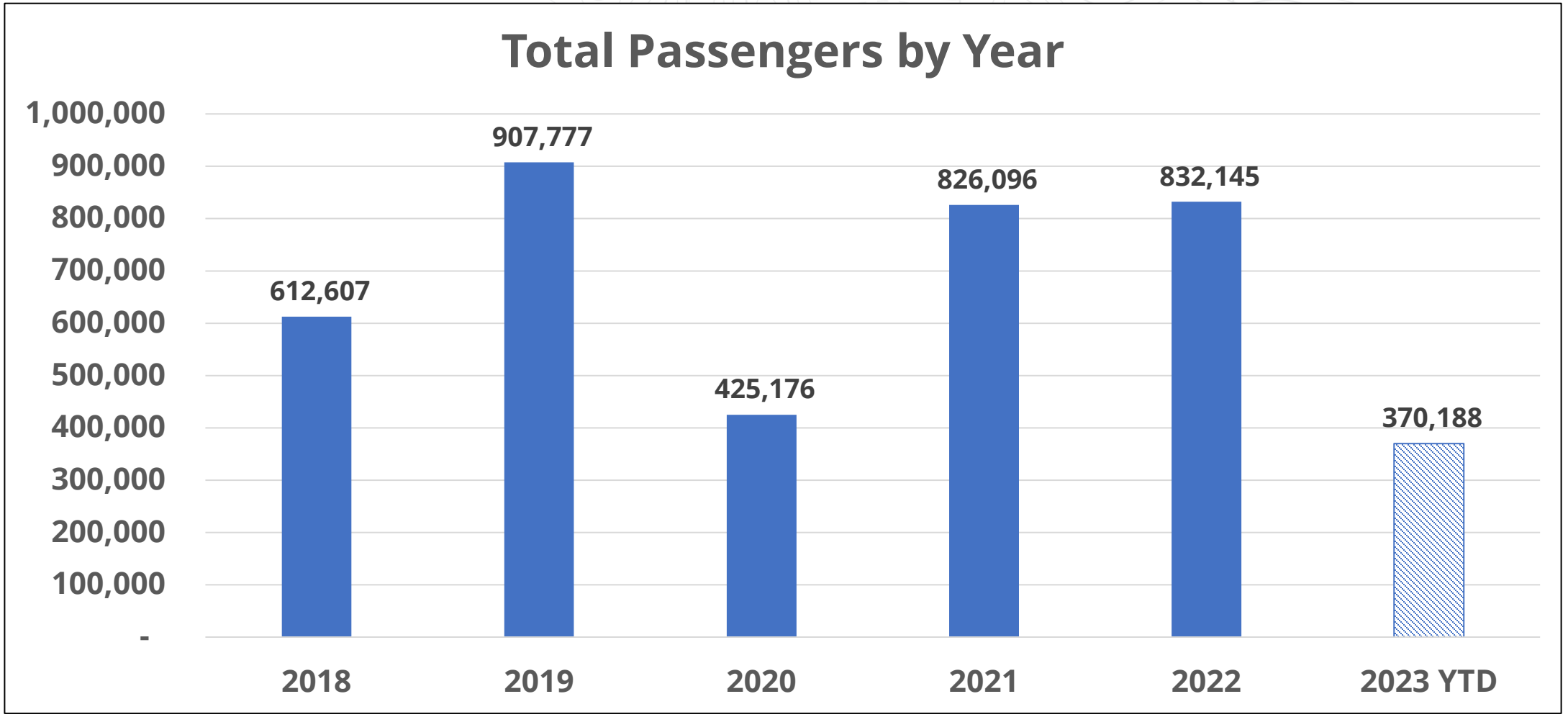
Source: Glacier Park International Airport

Glacier Park International Airport



Source: Glacier Park International Airport

Glacier Park International Airport



(Jan – June 2023)

Source: Glacier Park International Airport

SECTION 02.

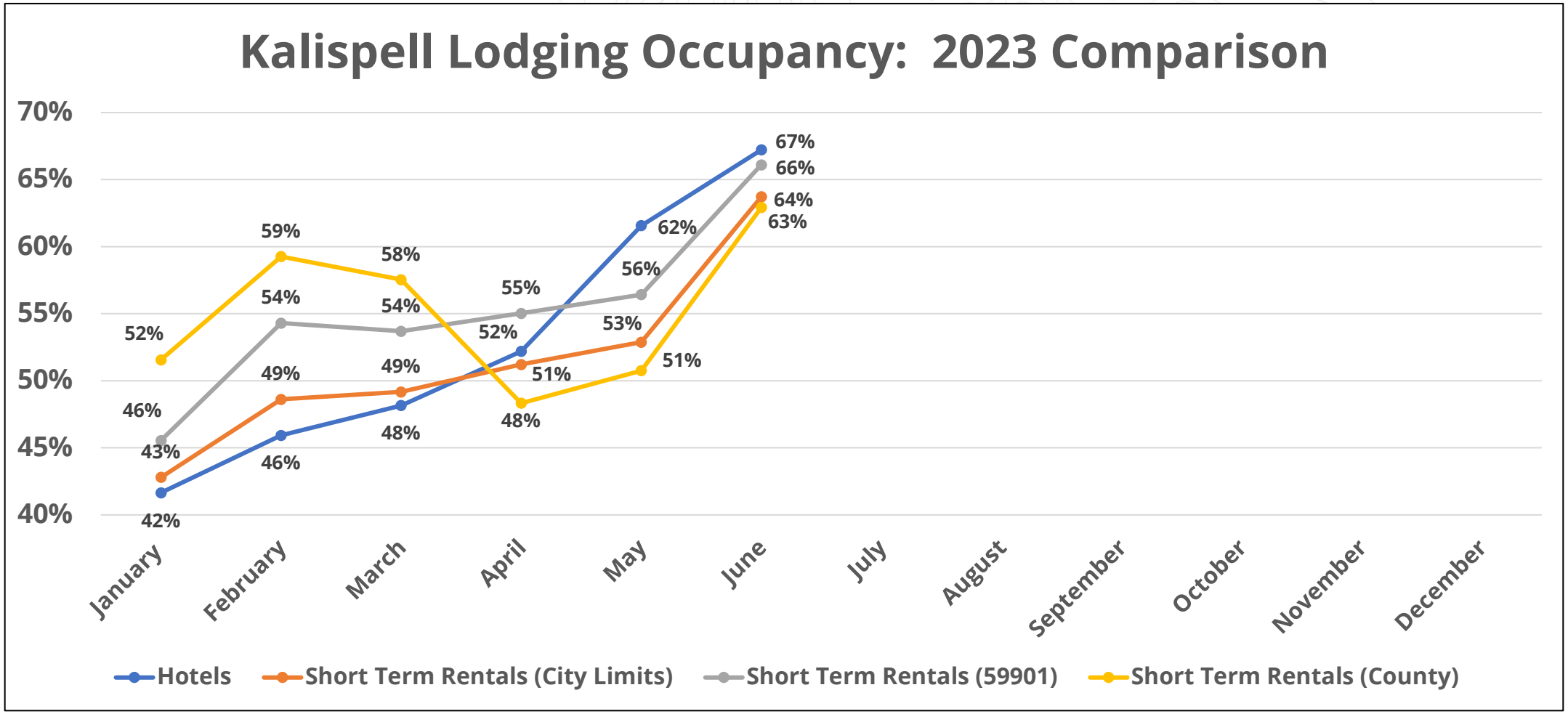
STR Hotel Data

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

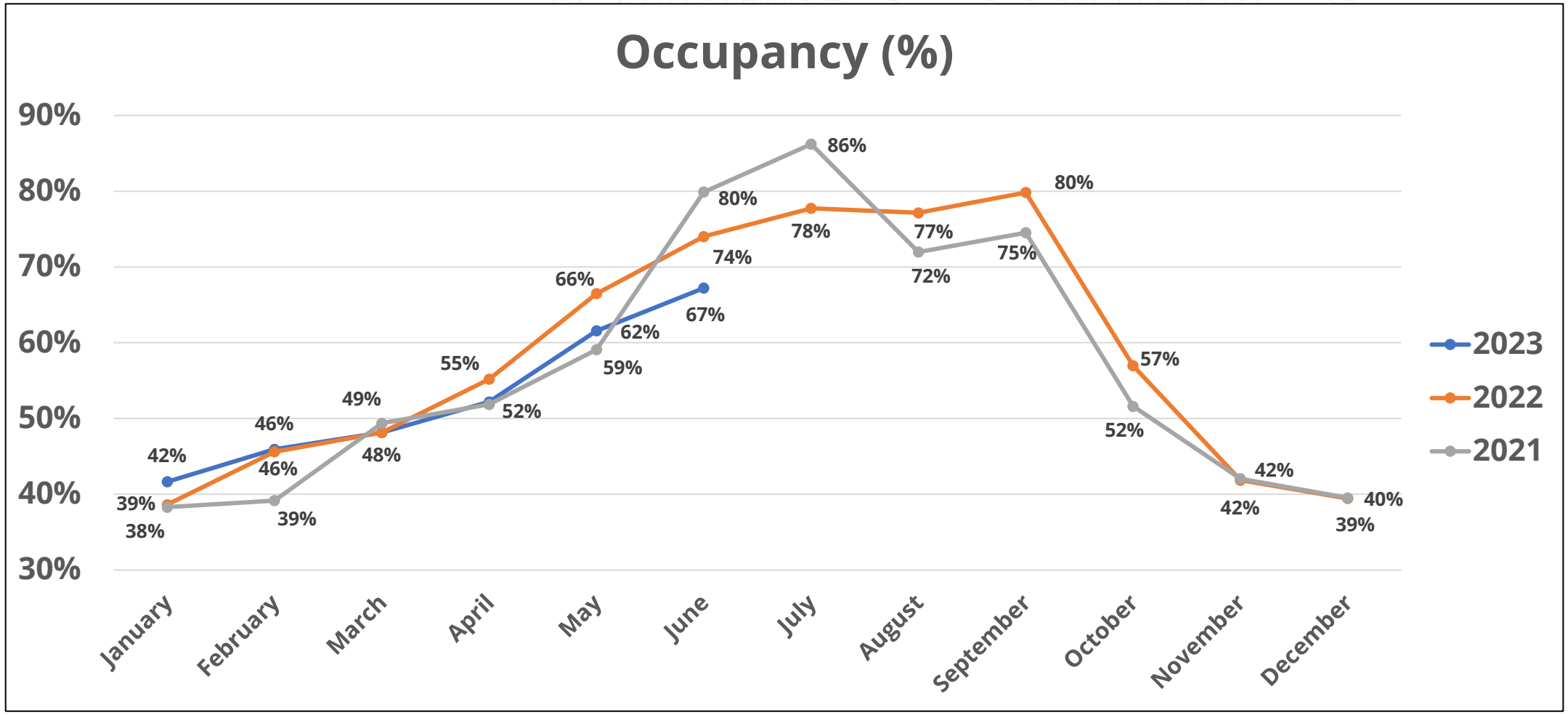
Kalispell 2023 Lodging Comparison



Source: Smith Travel Research (Hotels) and AirDNA (Airbnb/Vrbo Short Term Rentals)

Hotel Occupancy by Month

Kalispell hotel Occupancy decreased 9.2%, ADR increased 9.8%, and RevPAR decreased 0.3% Year-Over-Year

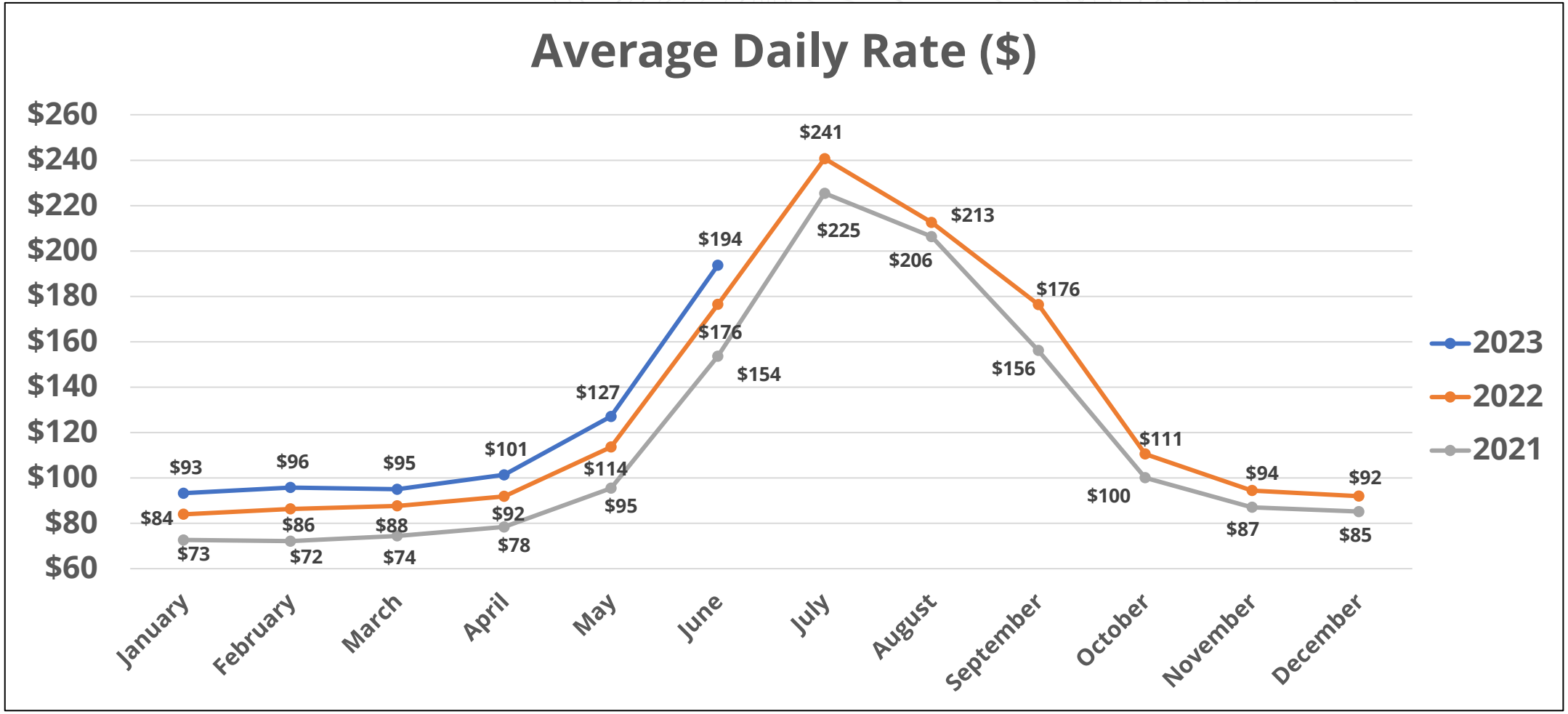


2021 Occupancy = 57%	2022 Occupancy = 58%

Source: Smith Travel Research

Hotel Average Daily Rate (ADR) by Month

Kalispell hotel Occupancy decreased 9.2%, ADR increased 9.8%, and RevPAR decreased 0.3% Year-Over-Year

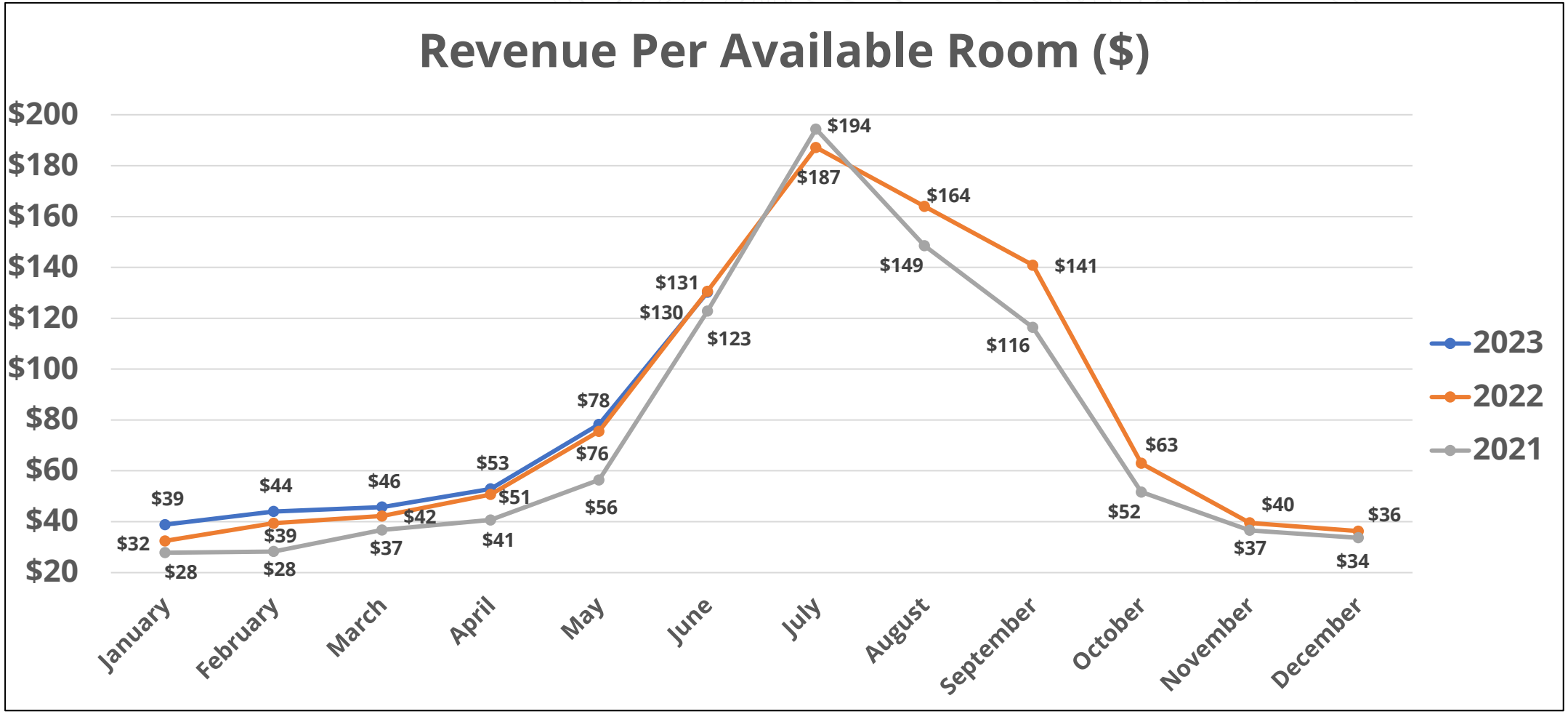


2021 ADR = $117.26 **2022 ADR = $130.55**

Source: Smith Travel Research

Hotel Revenue Per Available Room by Month

Kalispell hotel Occupancy decreased 9.2%, ADR increased 9.8%, and RevPAR decreased 0.3% Year-Over-Year

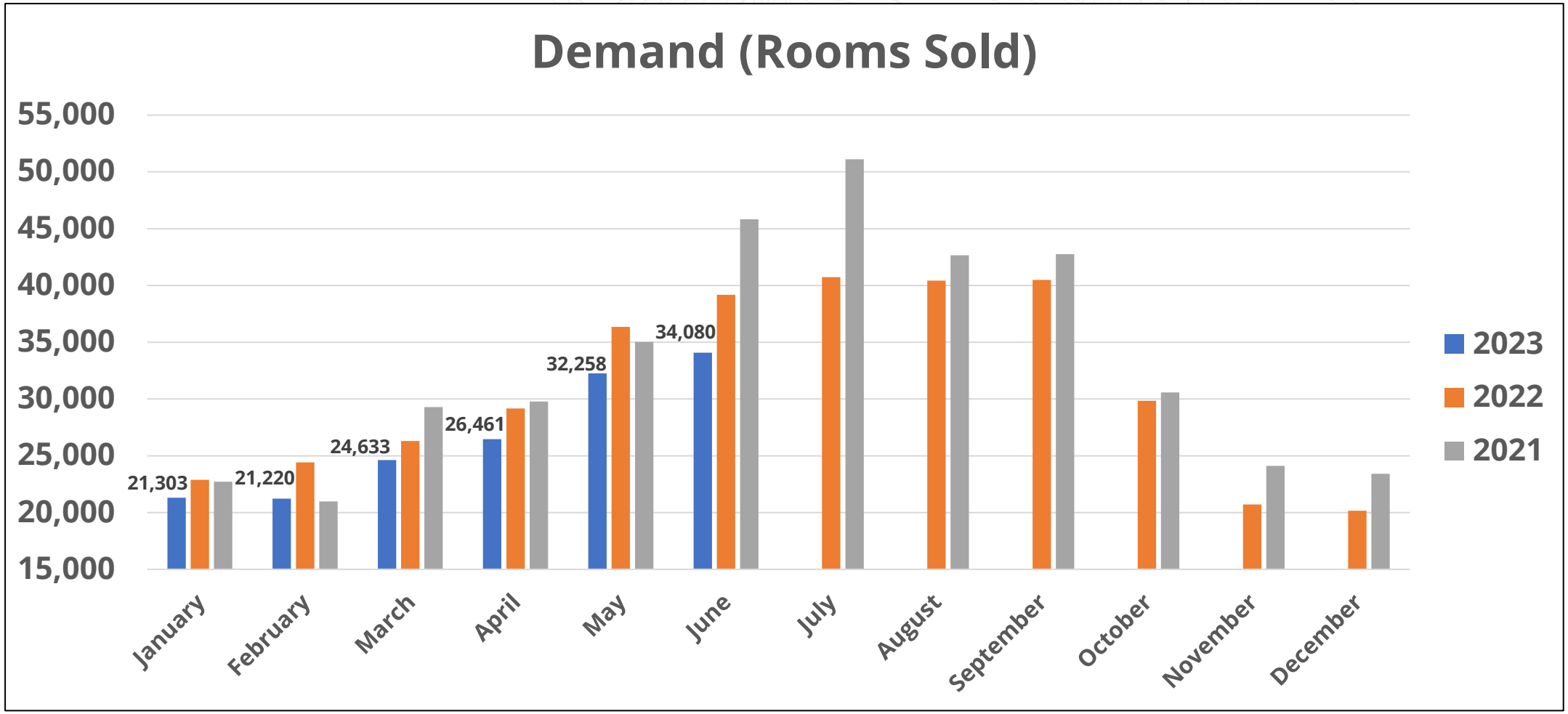


2021 RevPAR = $74.49 **2022 RevPAR = $83.47**

Source: Smith Travel Research

Hotel Demand (Rooms Sold) by Month

Kalispell hotel Demand decreased 13.0%, Supply decreased 4.2%, and Revenue decreased 4.5% Year-Over-Year

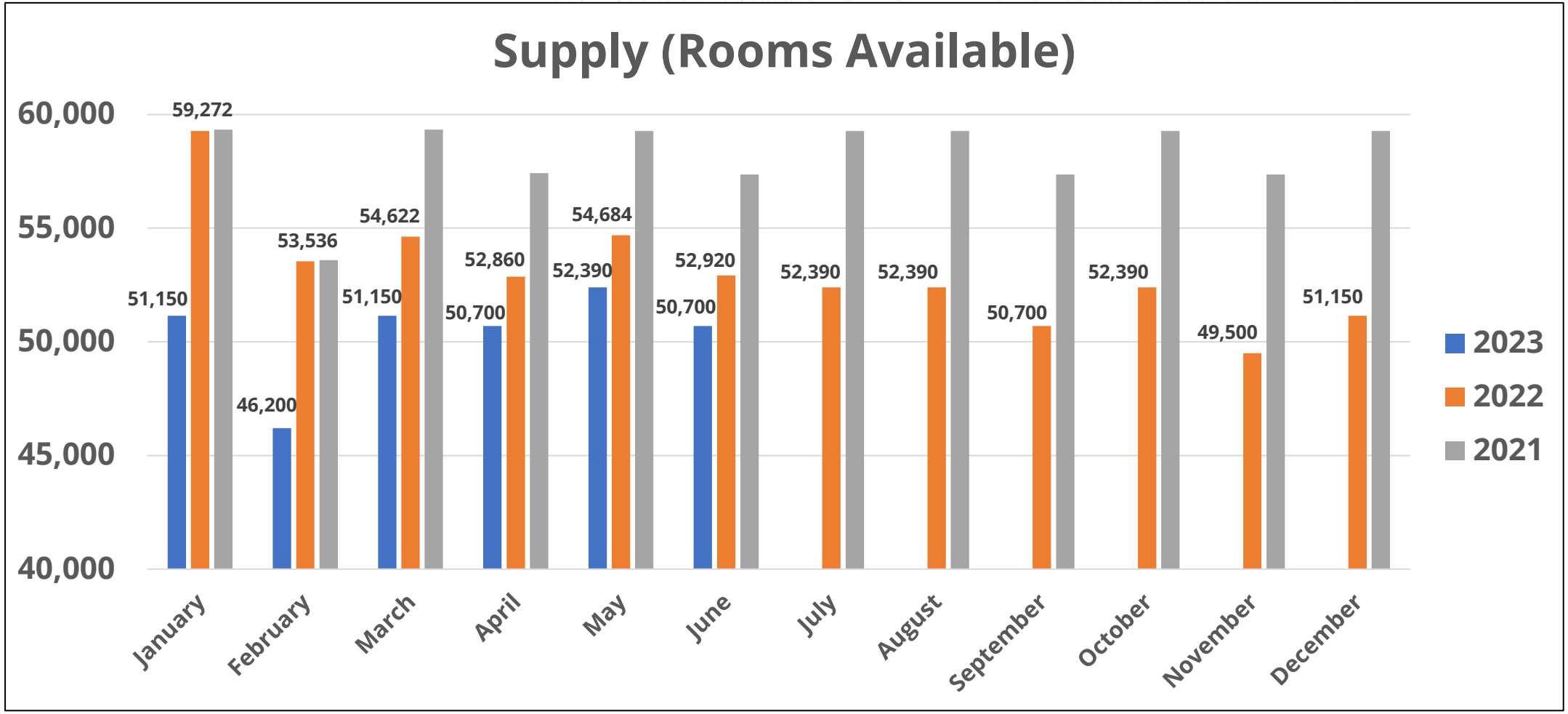


2021 Demand = 398,268	2022 Demand = 370,661

Source: Smith Travel Research

Hotel Supply by Month

Kalispell hotel Demand decreased 13.0%, Supply decreased 4.2%, and Revenue decreased 4.5% Year-Over-Year

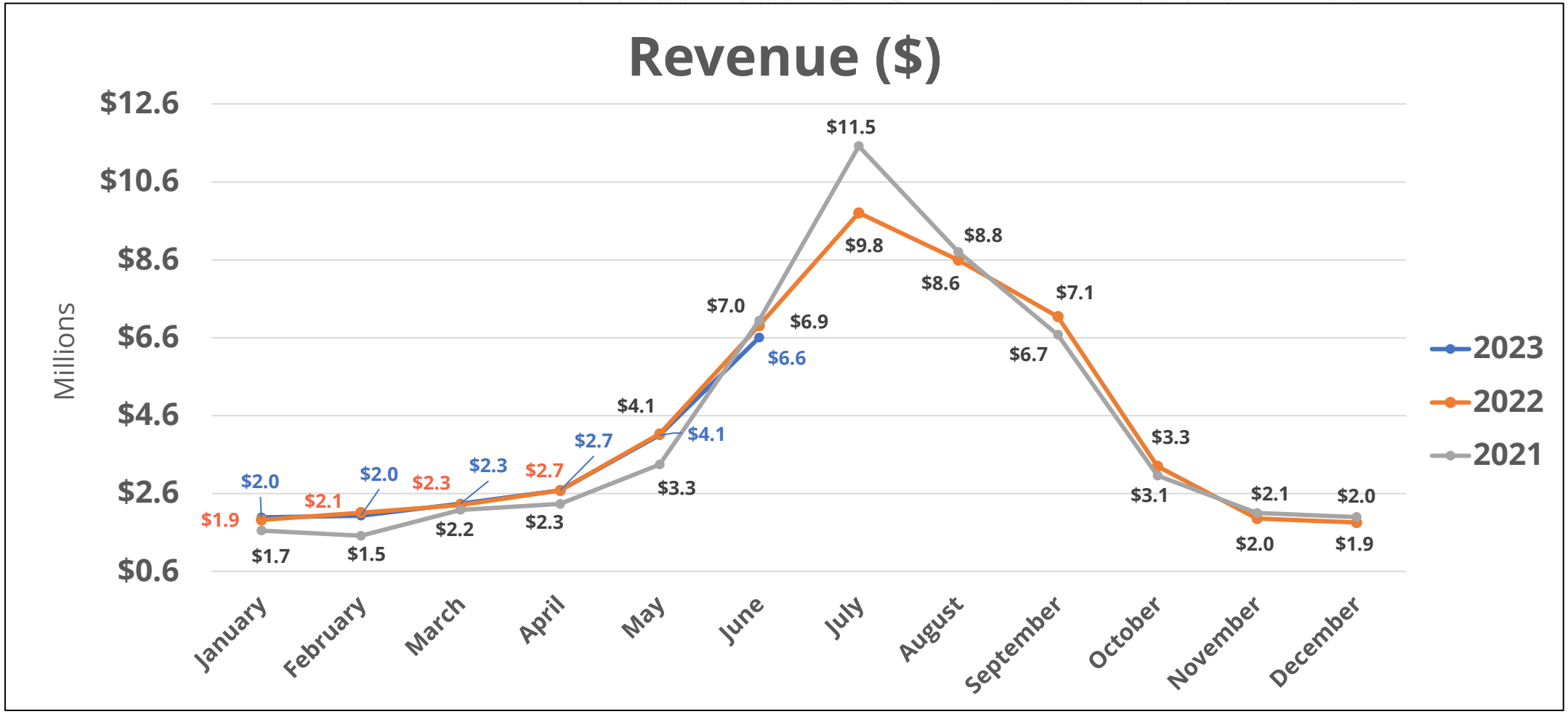


2021 Supply = 698,120 **2022 Supply = 636,414**

Source: Smith Travel Research

Hotel Revenue by Month

Kalispell hotel Demand decreased 13.0%, Supply decreased 4.2%, and Revenue decreased 4.5% Year-Over-Year



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

Source: Smith Travel Research

SECTION 03.

AirDNA Short Term Rental Data (Airbnb & Vrbo listings)

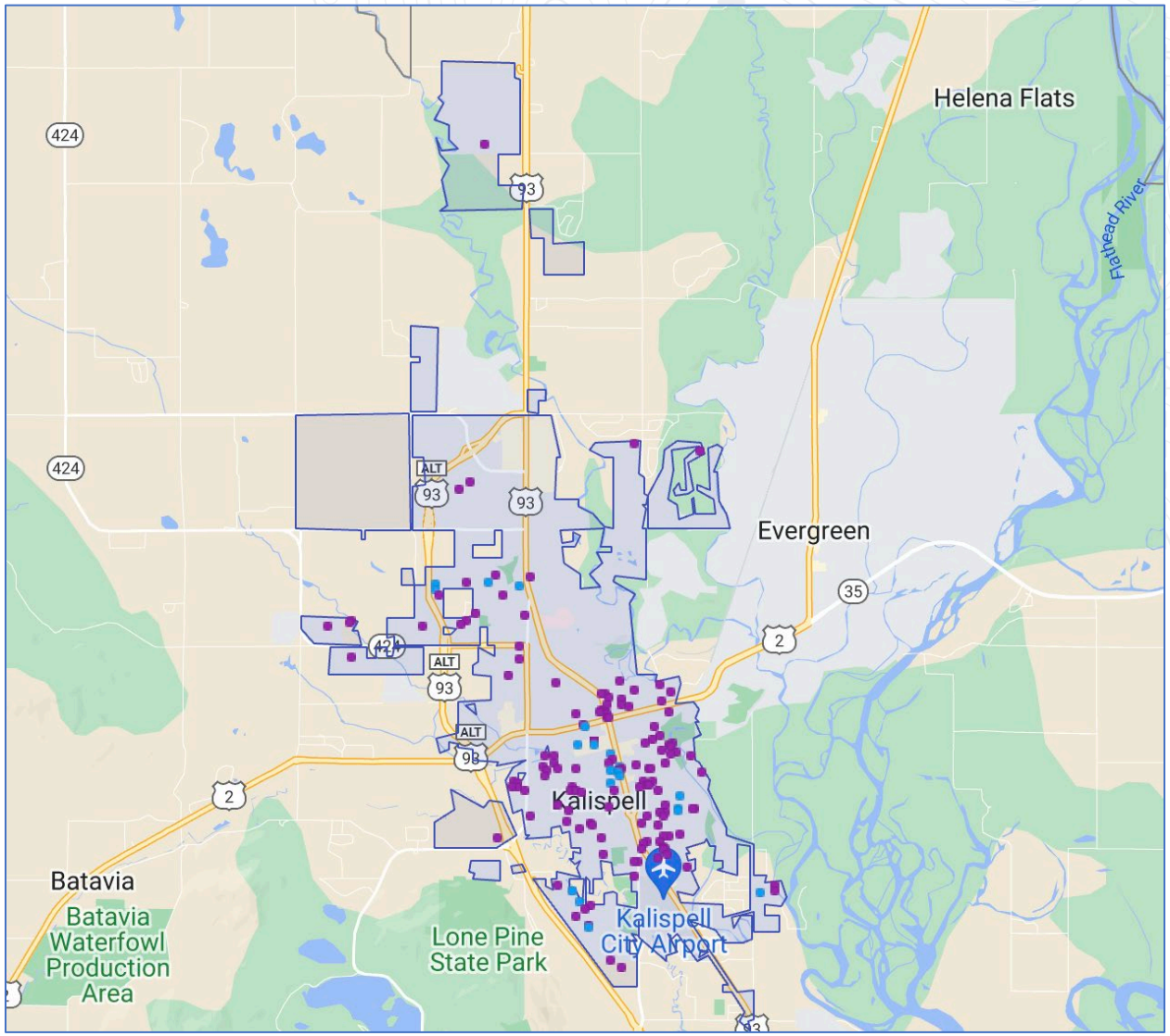
AirDNA Short Term Rentals - Definitions

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 (Airbnb/Vrbo Short Term Rentals)

AirDNA Short Term Rentals – Geographical Boundary *

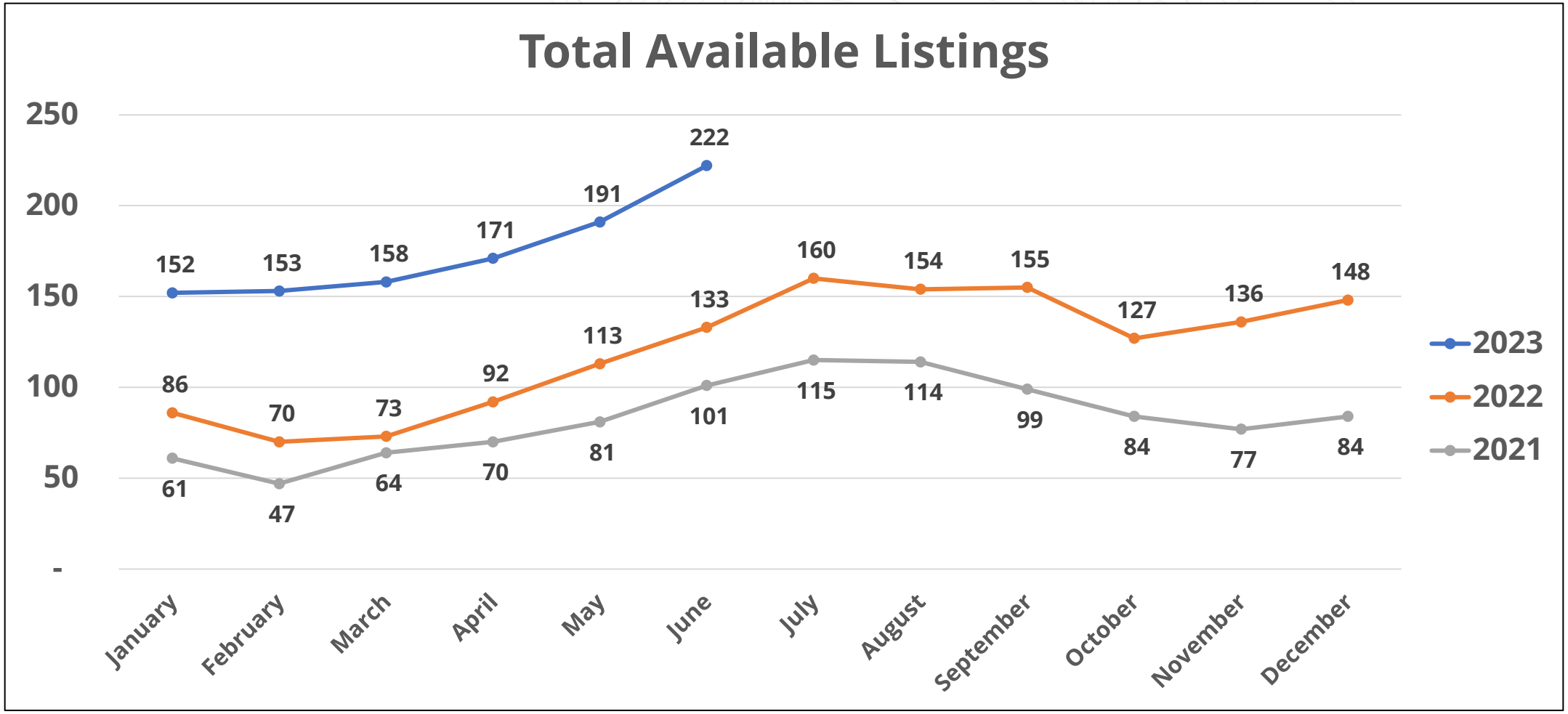


*Kalispell City Limits

Source: AirDNA (Airbnb/Vrbo Short Term Rentals)

AirDNA Short Term Rentals - Available Listings

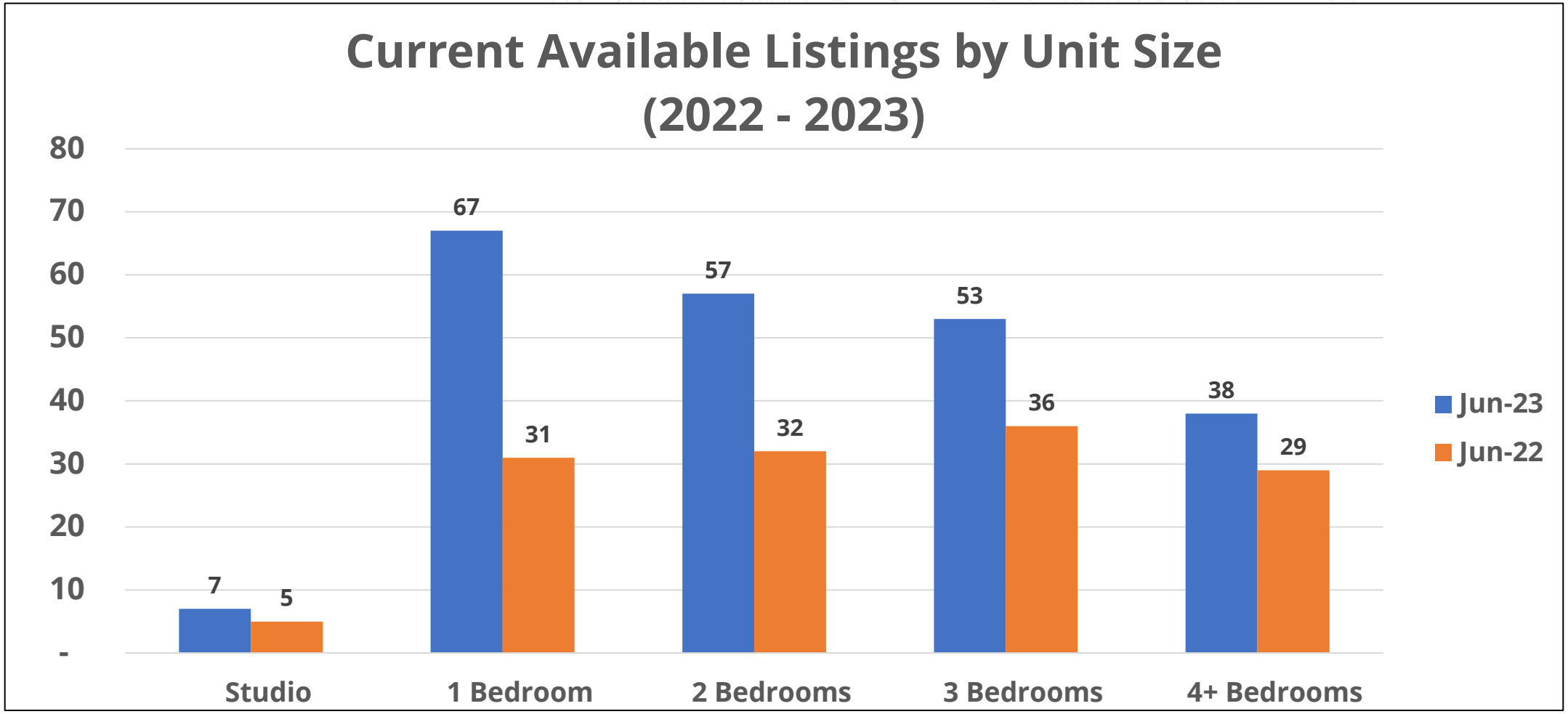
Kalispell Short Term Rental Available Listings increased 66.9% YoY



Source: AirDNA (Airbnb/Vrbo Short Term Rentals)

AirDNA Short Term Rentals - Unit Size

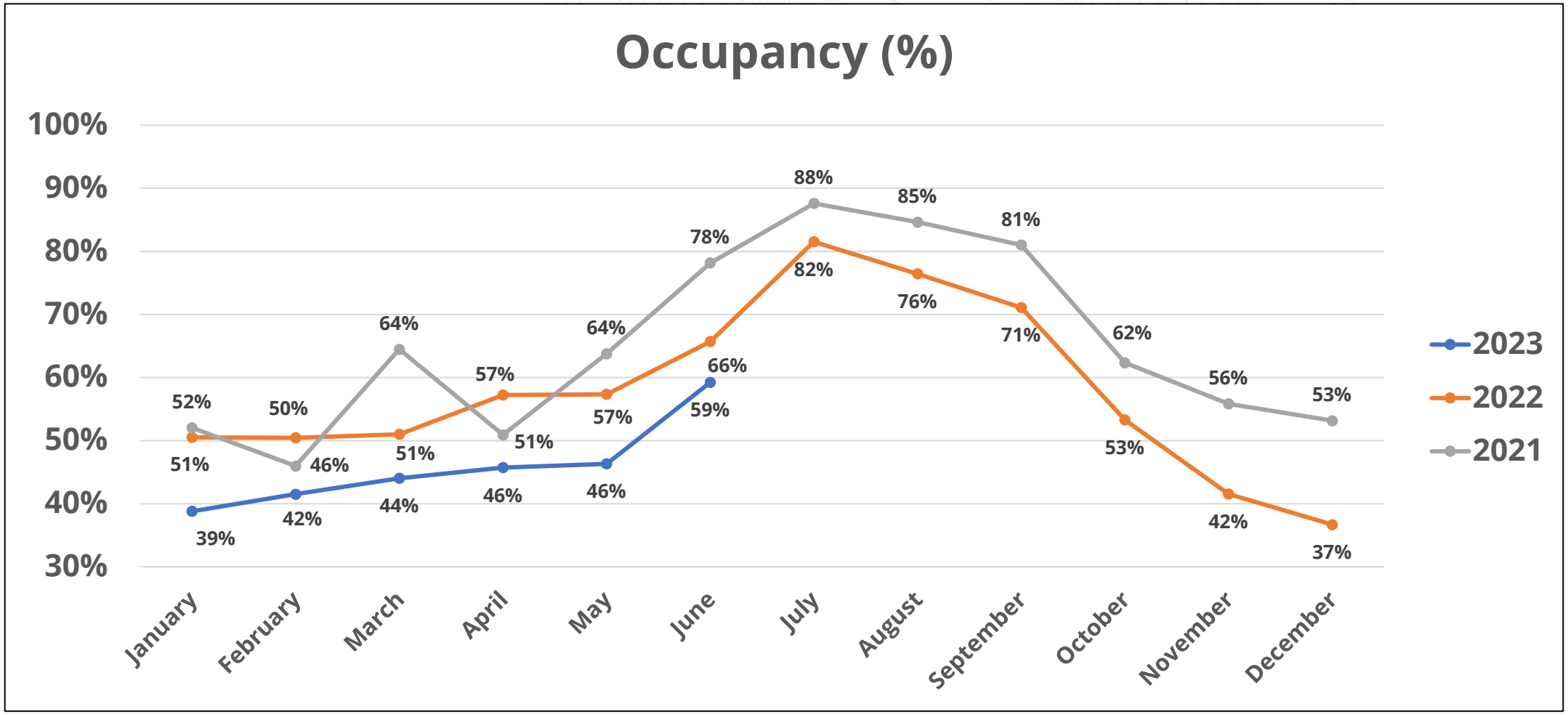
1 Bedroom Listings increased 116.1% and 2 Bedroom Listings increased 78.1% Year-Over-Year



Source: AirDNA (Airbnb/Vrbo Short Term Rentals)

AirDNA Short Term Rentals – Occupancy

Kalispell Short Term Rentals Occupancy decreased 9.8%, ADR decreased 8.2%, and RevPAR decreased 17.2% Year-Over-Year



Source: AirDNA (Airbnb/Vrbo Short Term Rentals)

AirDNA Short Term Rentals - ADR

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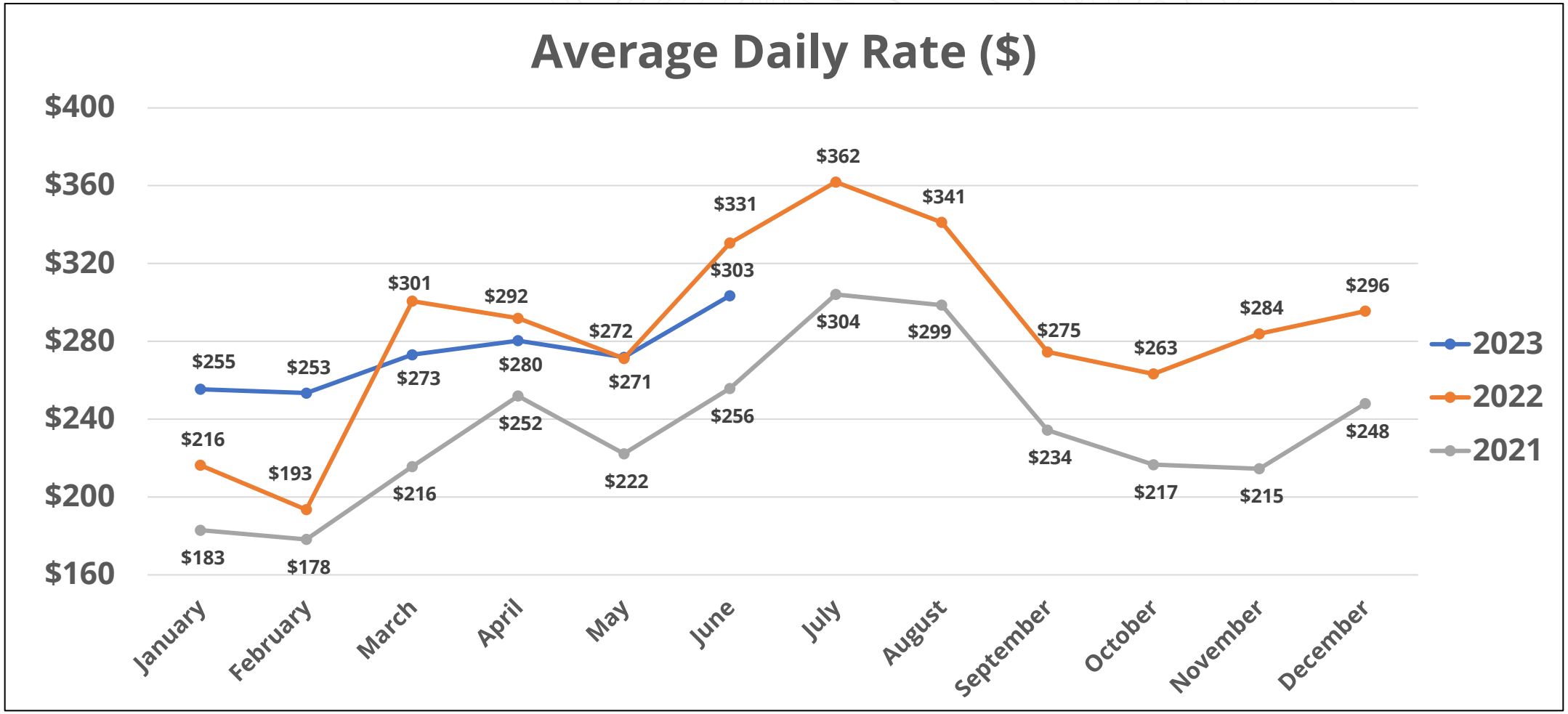
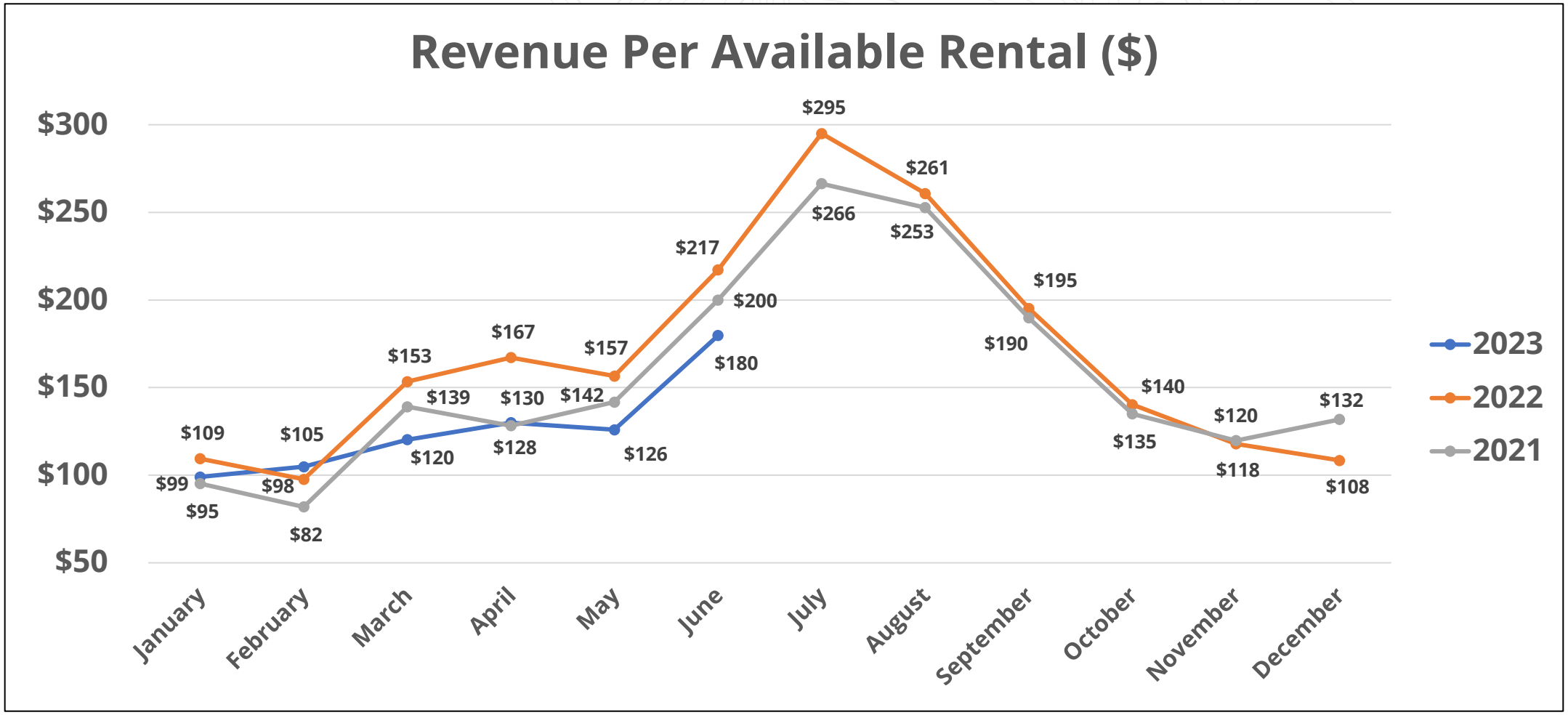


Source: AirDNA (Airbnb/Vrbo Short Term Rentals)

AirDNA Short Term Rentals - RevPAR

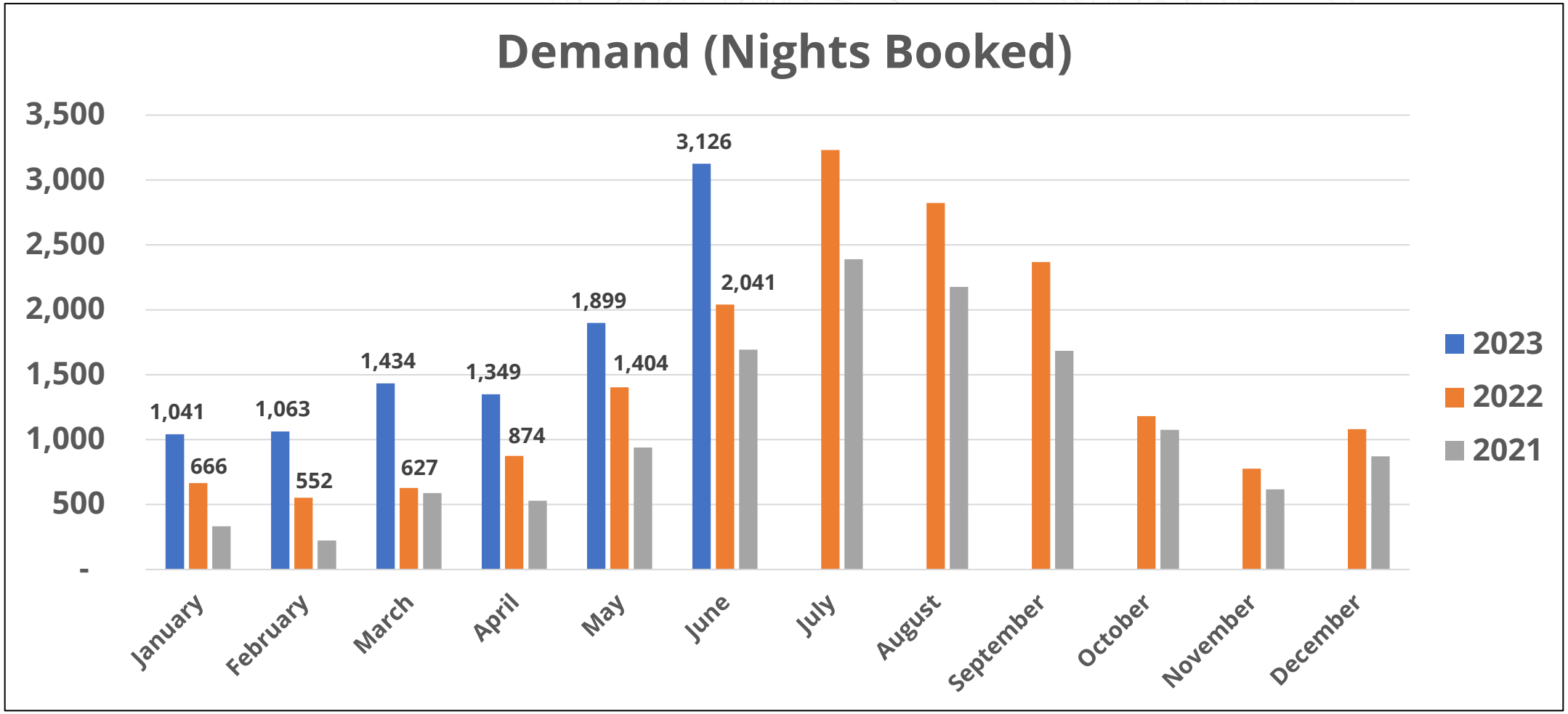
Kalispell Short Term Rentals Occupancy decreased 9.8%, ADR decreased 8.2%, and RevPAR decreased 17.2% Year-Over-Year



Source: AirDNA (Airbnb/Vrbo Short Term Rentals)

AirDNA Short Term Rentals – Demand

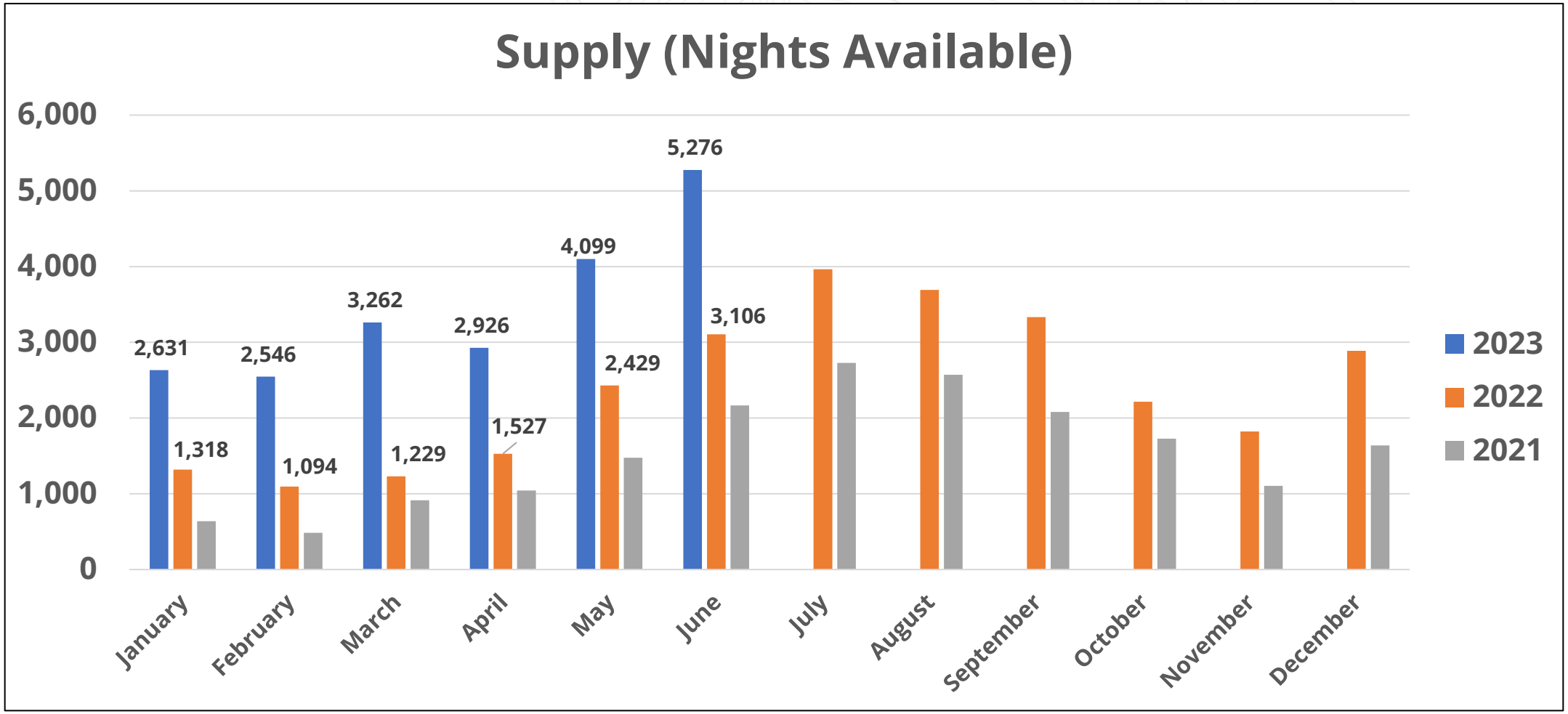
Kalispell Short Term Rentals Supply increased 69.9%, Demand increased 53.2%, and Total Revenue increased 40.6% Year-Over-Year



Source: AirDNA (Airbnb/Vrbo Short Term Rentals)

AirDNA Short Term Rentals – Supply

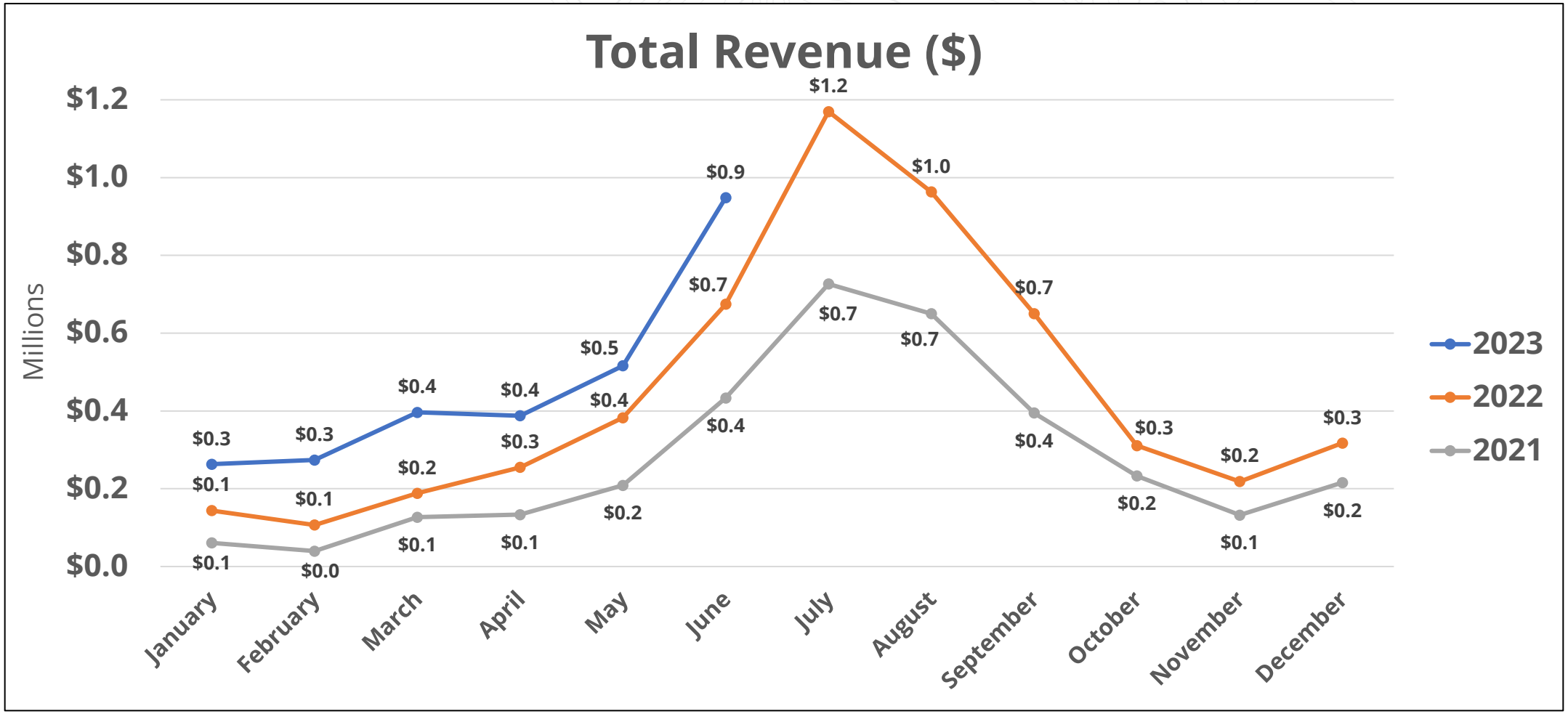
Kalispell Short Term Rentals Supply increased 69.9%, Demand increased 53.2%, and Total Revenue increased 40.6% Year-Over-Year



Source: AirDNA (Airbnb/Vrbo Short Term Rentals)

AirDNA Short Term Rentals – Total Revenue

Kalispell Short Term Rentals Supply increased 69.9%, Demand increased 53.2%, and Total Revenue increased 40.6% Year-Over-Year

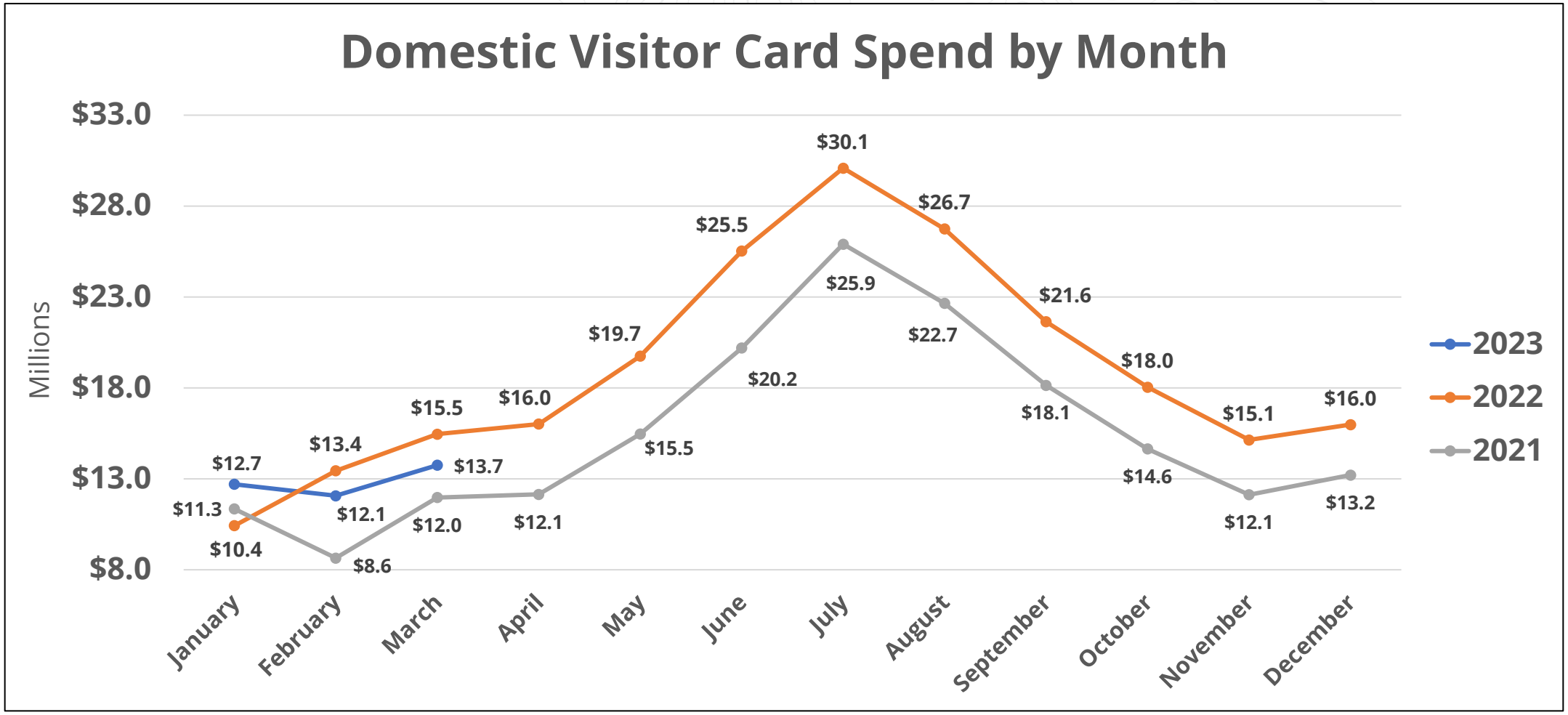


Source: AirDNA (Airbnb/Vrbo Short Term Rentals)

SECTION 04.

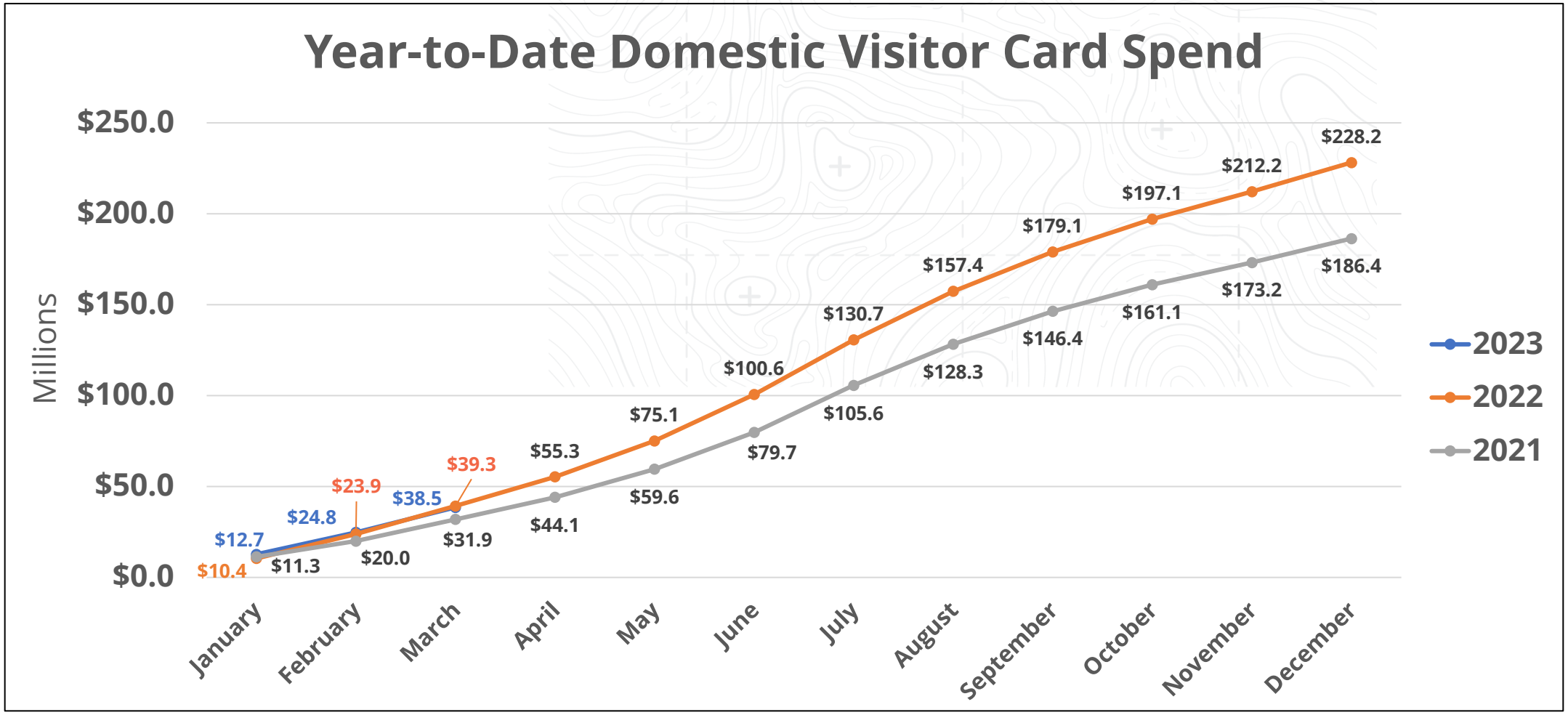
Visa Destination Insights

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%

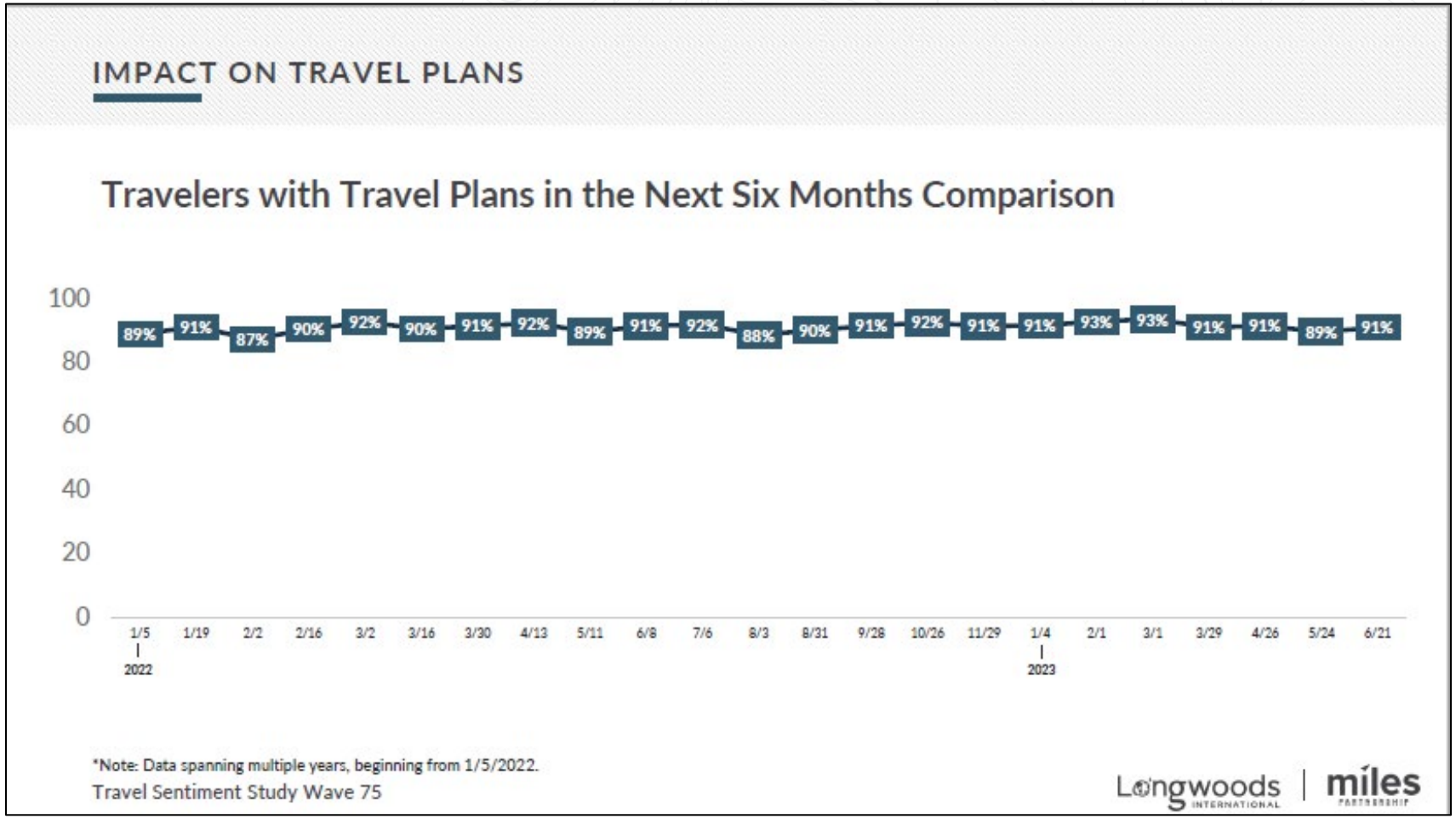
Source: Visa Destination Insights

SECTION 05.

Consumer Sentiment & Macroeconomic Data

LONGWOODS INTERNATIONAL – Travel Sentiment Study Wave 75

*Survey Fielded June 21, 2023; US National Sample of 1,000 adults 18+



Source: Longwoods International

LONGWOODS INTERNATIONAL – Travel Sentiment Study Wave 75

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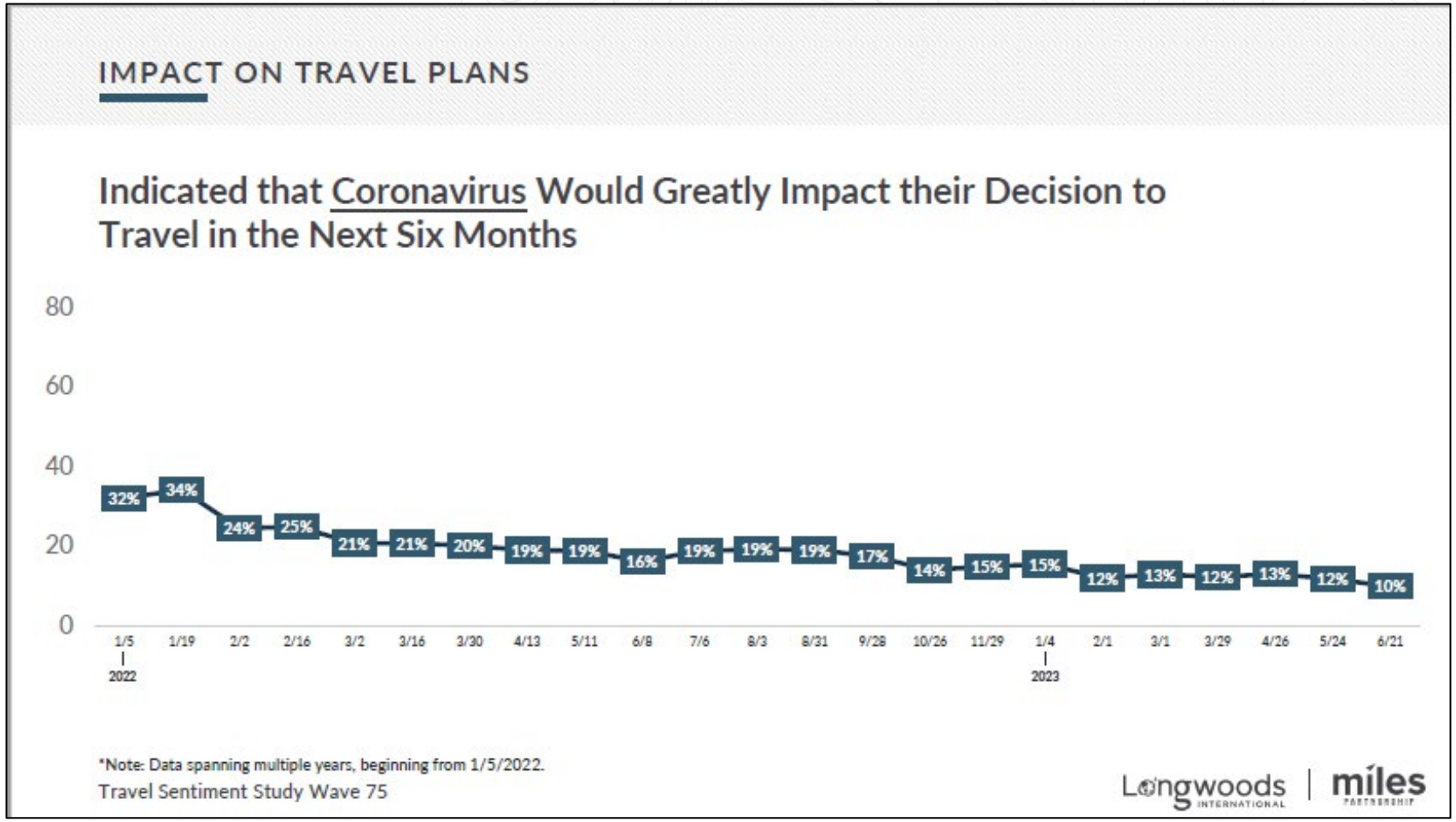

Source: Longwoods International

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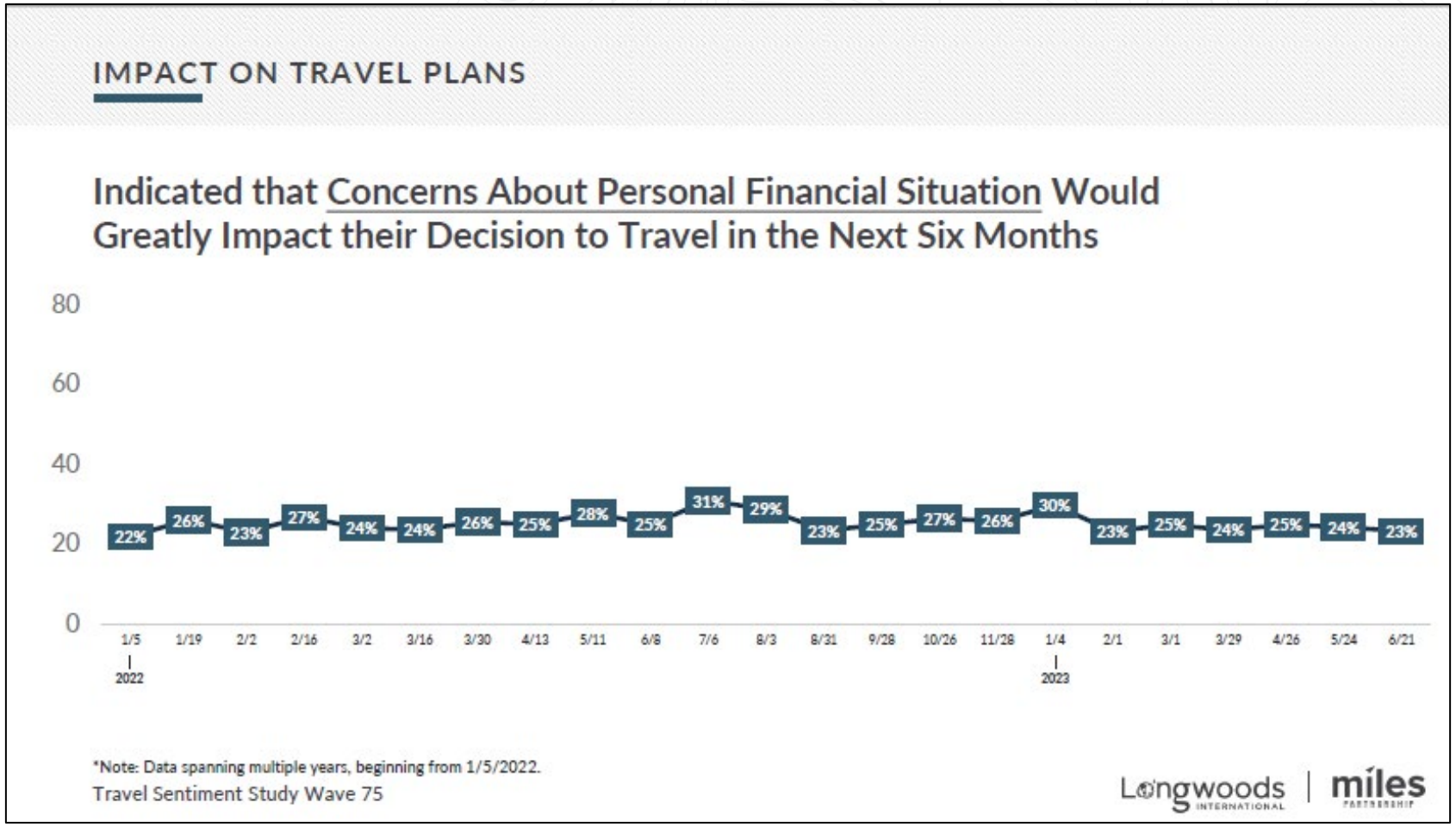

Source: Longwoods International

LONGWOODS INTERNATIONAL – Travel Sentiment Study Wave 75

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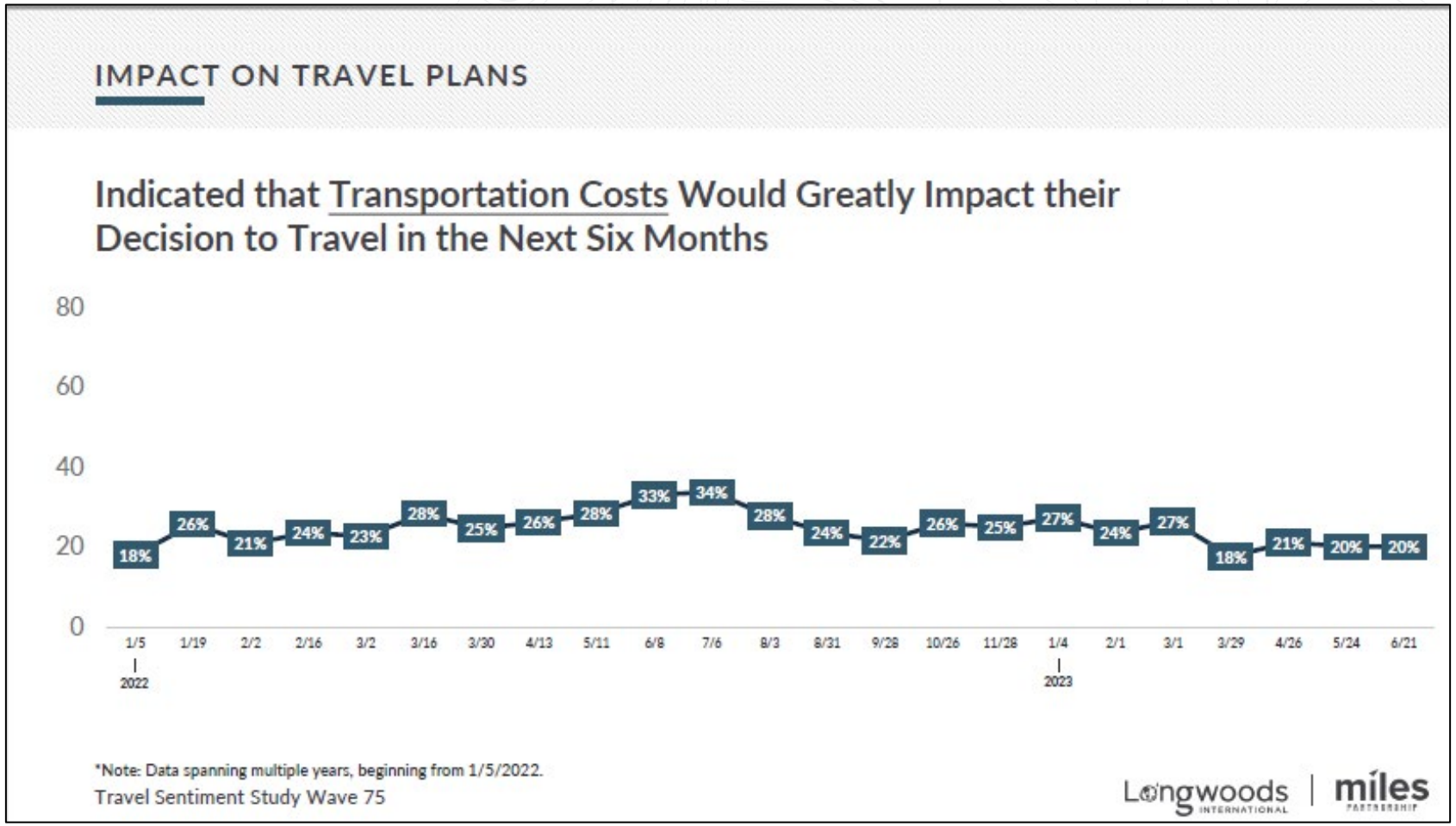

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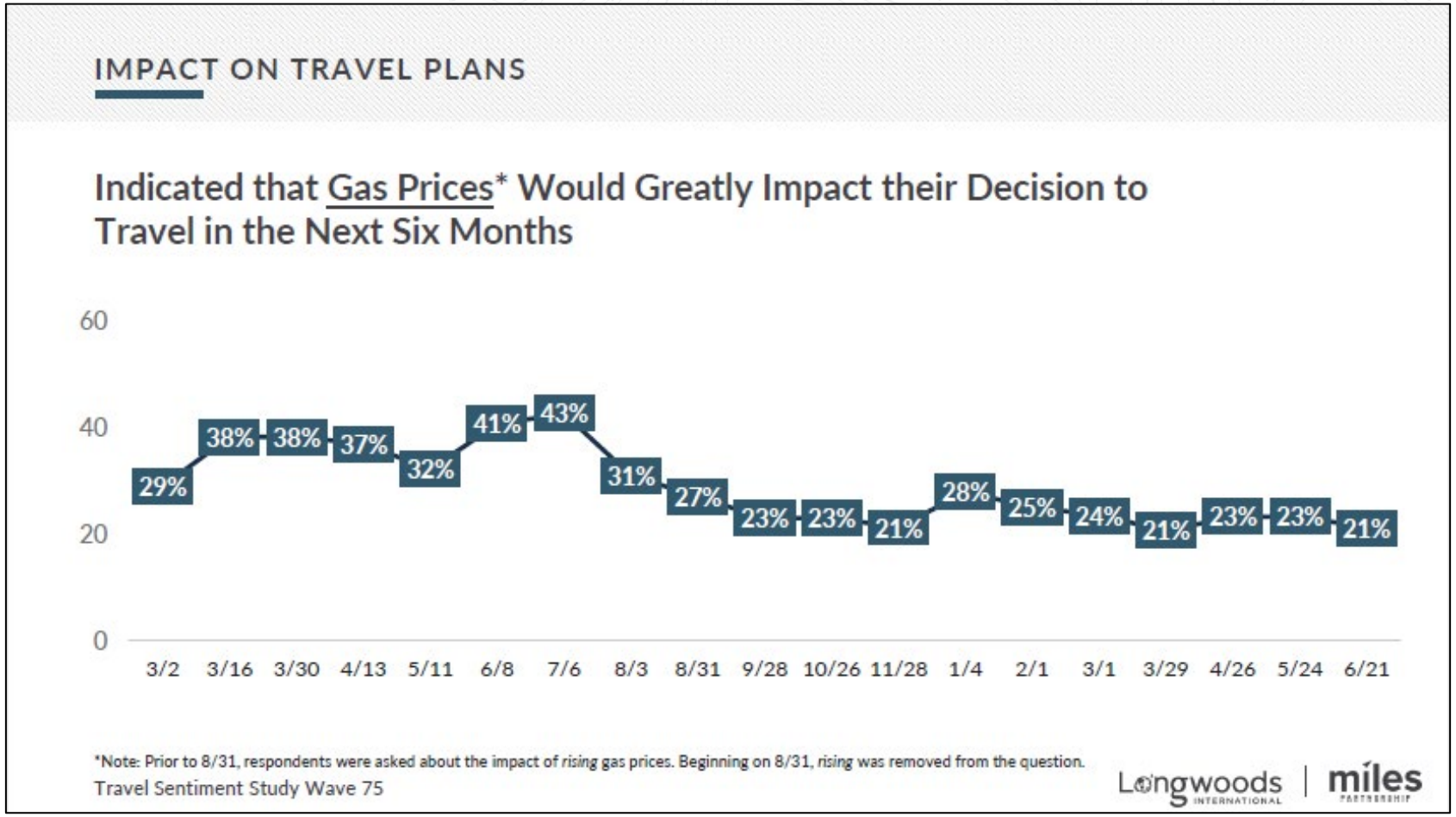

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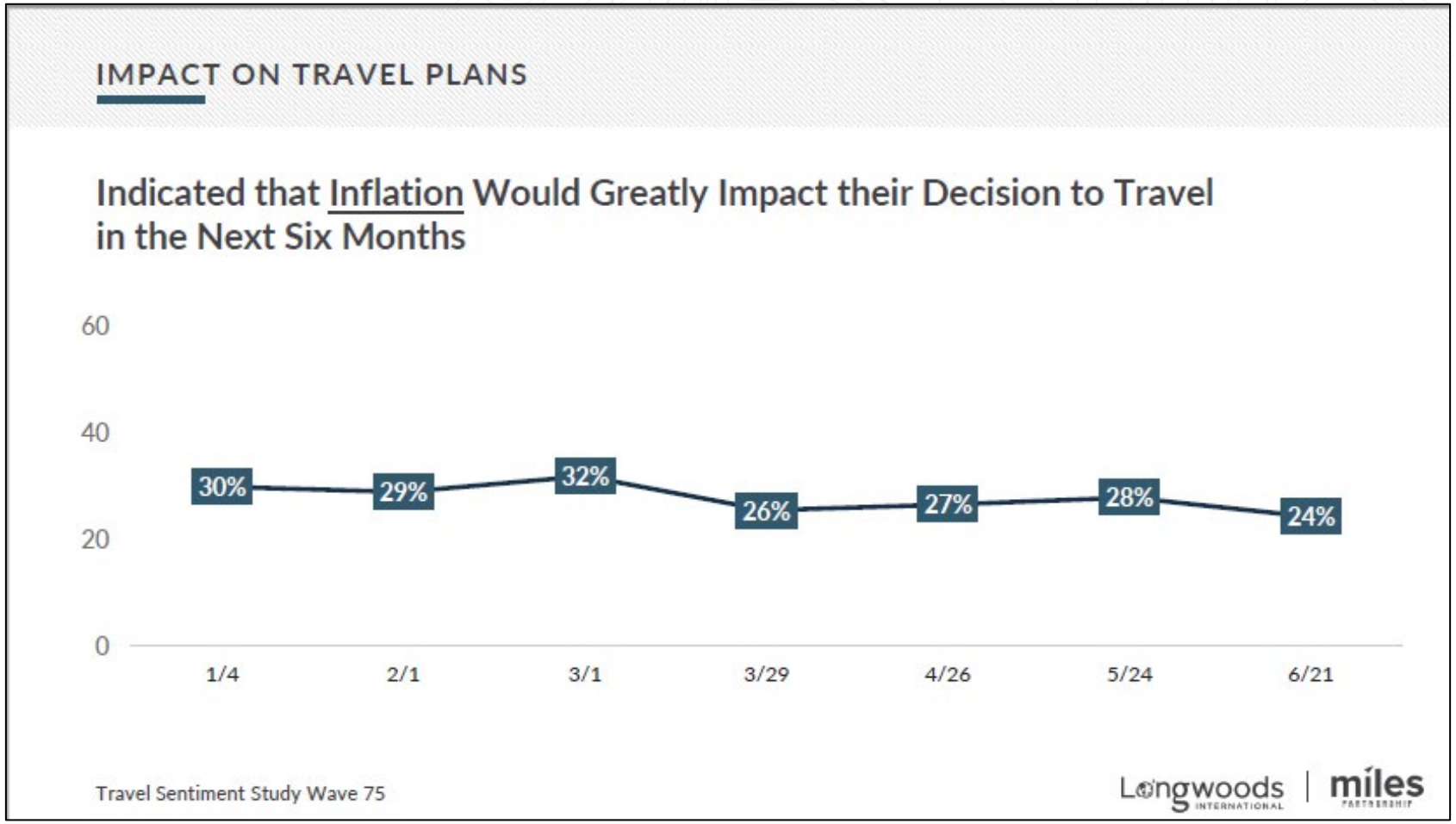

Source: Longwoods International

LONGWOODS INTERNATIONAL – Travel Sentiment Study Wave 75

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Source: Longwoods International

LONGWOODS INTERNATIONAL – Travel Sentiment Study Wave 75

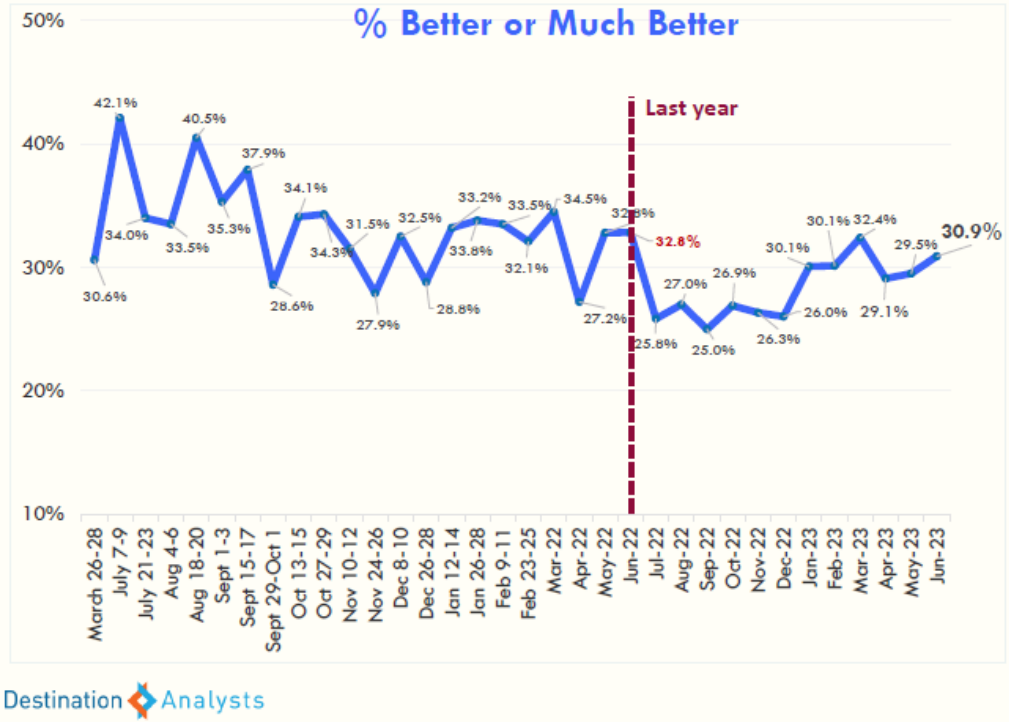
*Survey Fielded June 21, 2023; US National Sample of 1,000 adults 18+

Source: Longwoods International

DESTINATION ANALYSTS – The State of the American Traveler

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

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



Travelers are feeling slightly less financially well off than they were one year ago.

Source: Destination Analysts

DESTINATION ANALYSTS – The State of the American Traveler

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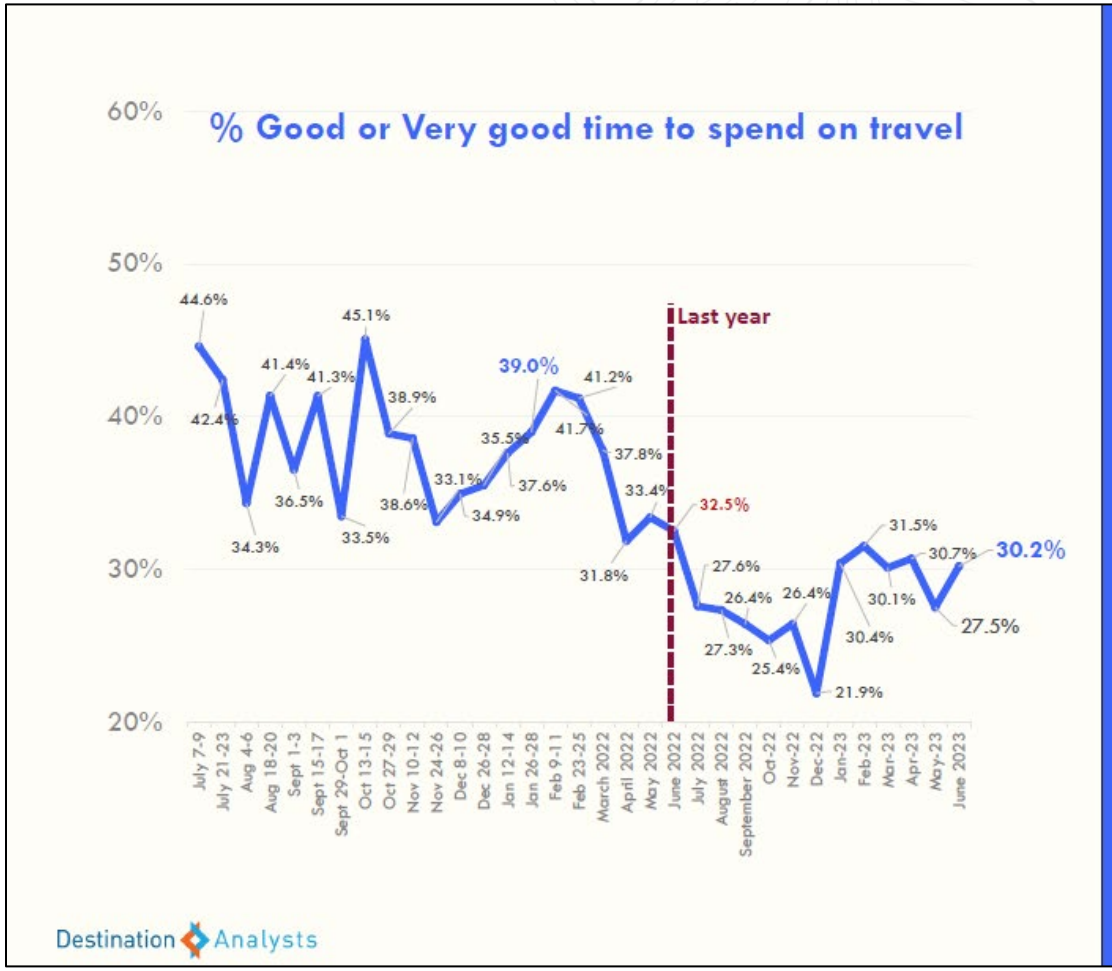


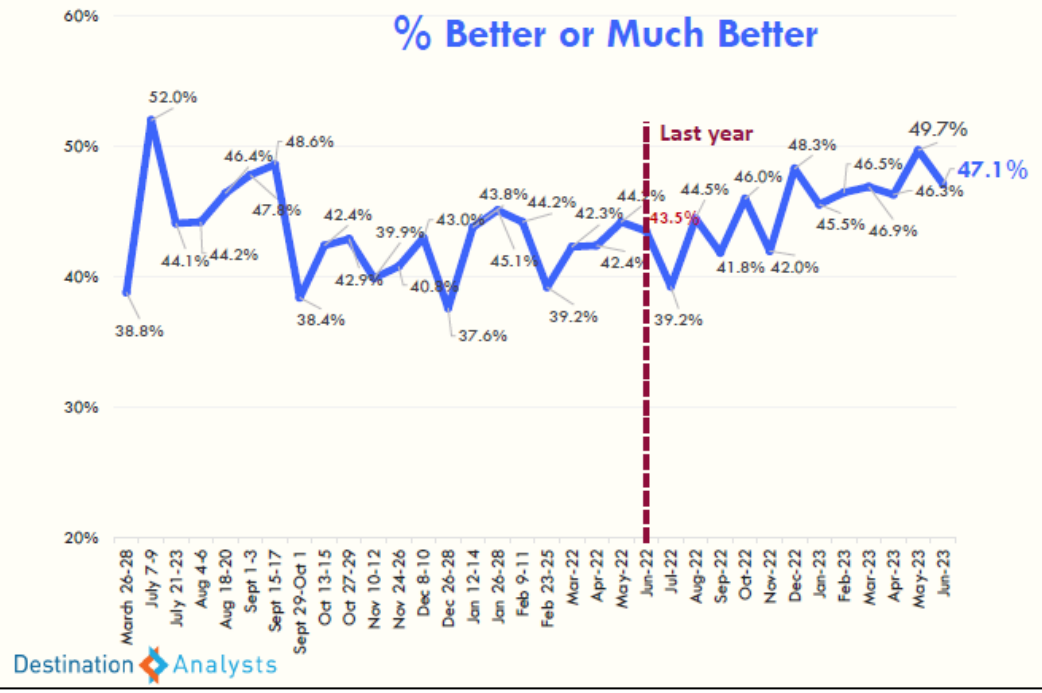
The proportion of Americans who feel it is a "good time" to spend on leisure was about 2 points below last year at this time.

Source: Destination Analysts

DESTINATION ANALYSTS – The State of the American Traveler

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

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?



Traveler expectations for their financial prospects in the next year dropped slightly this month.

Source: Destination Analysts

DESTINATION ANALYSTS – The State of the American Traveler

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

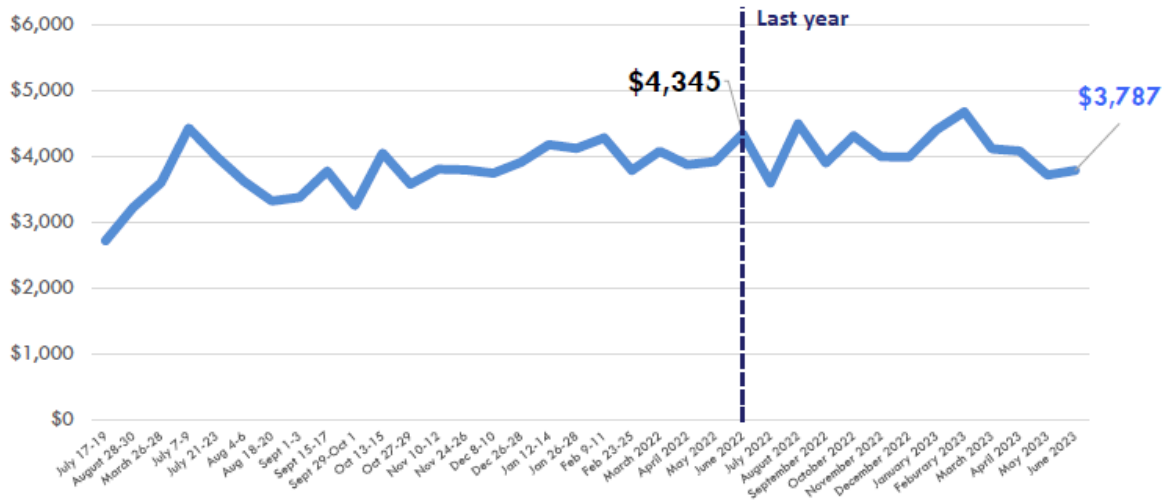
MAXIMUM TRAVEL SPENDING: NEXT 12 MONTHS—TIME SERIES

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):

_____

(Base: All respondents, 1,200+ completed surveys each wave in 2021. 4,000+ completed surveys each wave in 2022 and 2023)



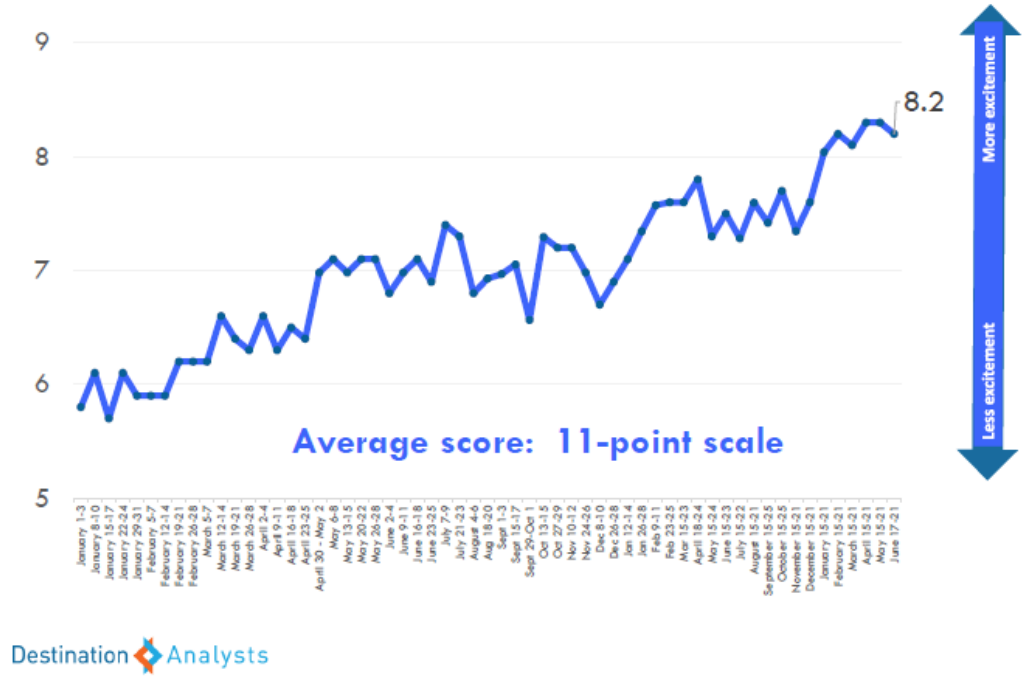
Destination Analysts

Source: Destination Analysts

DESTINATION ANALYSTS – The State of the American Traveler

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

Question: Which best describes how excited you are about LEISURE TRAVEL in the NEXT TWELVE (12) MONTHS? (Please answer using the 11-point scale below)



Question:

Which best describes how excited you are about LEISURE TRAVEL in the NEXT TWELVE (12) MONTHS? (Please answer using the 11-point scale below)

Source: Destination Analysts

DESTINATION ANALYSTS – The State of the American Traveler

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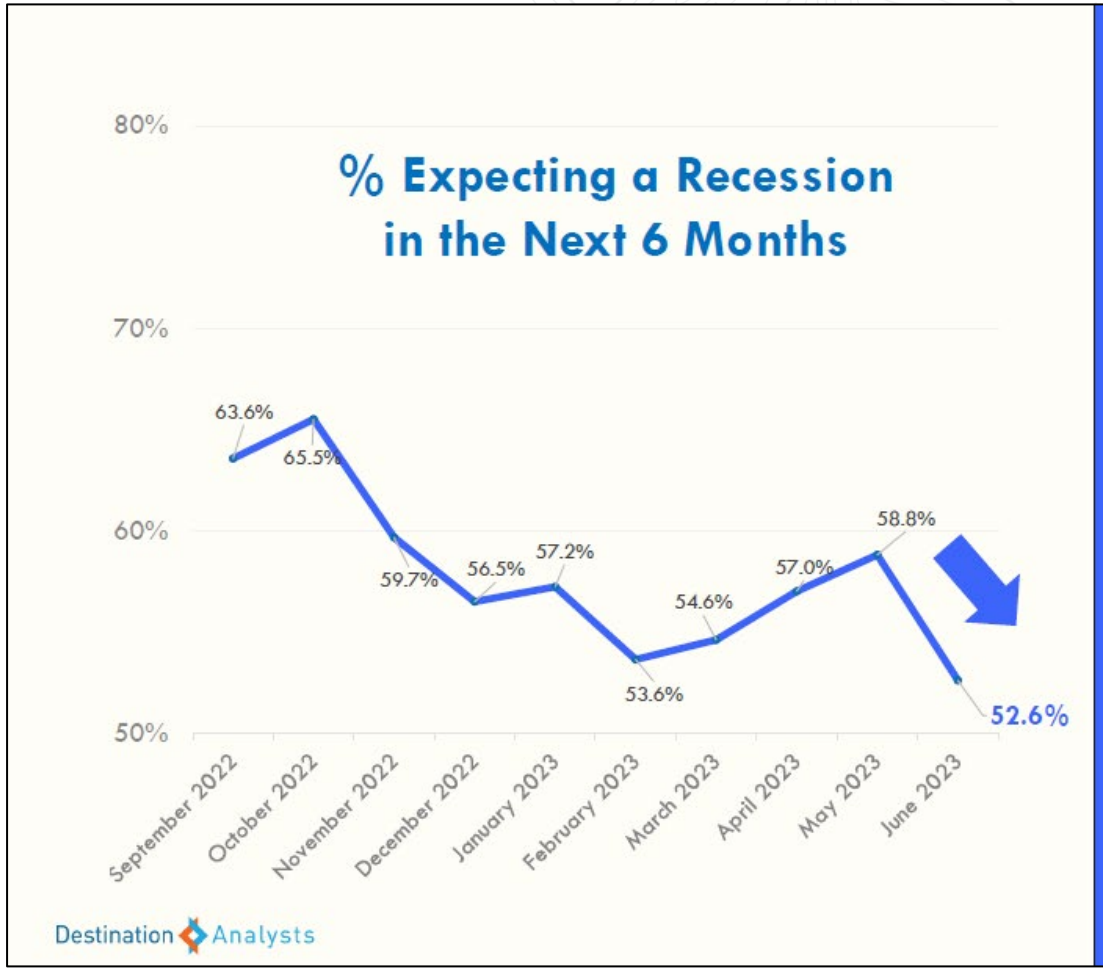
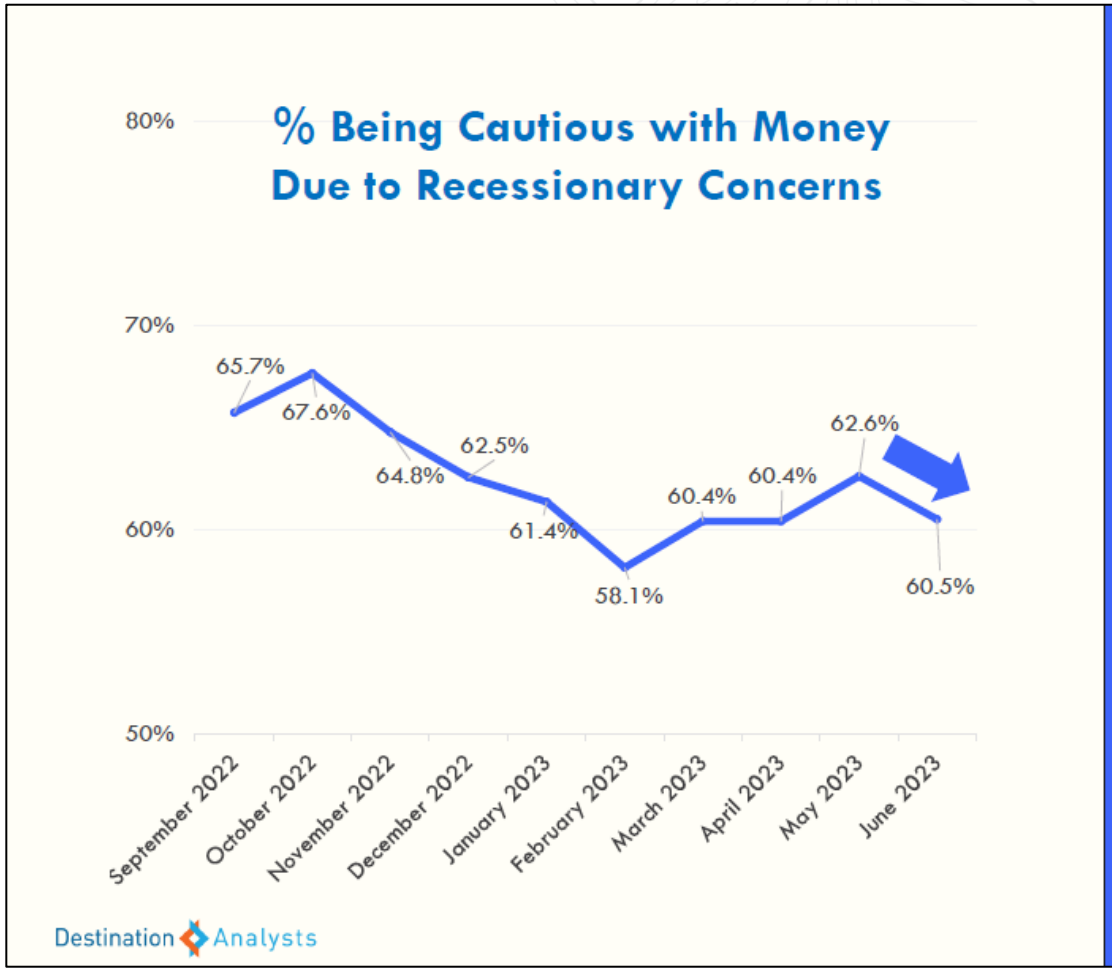


Recessionary concerns are at the lowest level since we began tracking this metric.

Source: Destination Analysts

DESTINATION ANALYSTS – The State of the American Traveler

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



Increases seen in travelers exercising spending caution due these recessionary concerns reversed somewhat this month.

Source: Destination Analysts

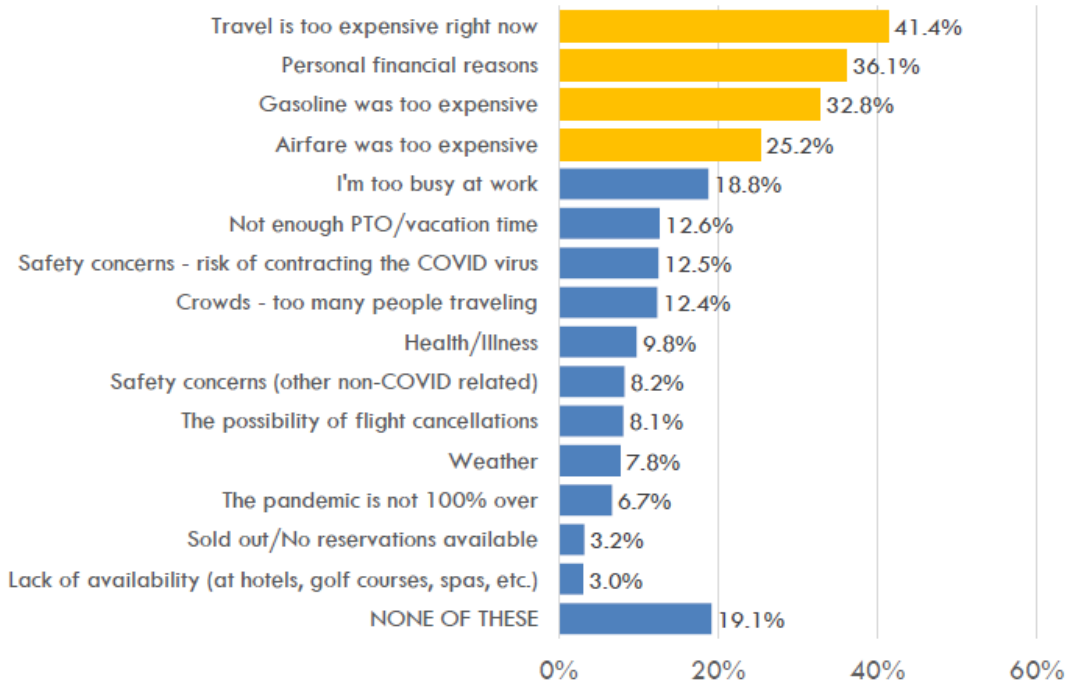
DESTINATION ANALYSTS – The State of the American Traveler

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

DETERRENTS TO TRAVELING IN THE PAST 6 MONTHS

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)

(Base: All respondents, 4,011 completed surveys. Data collected June 15-21, 2023.)



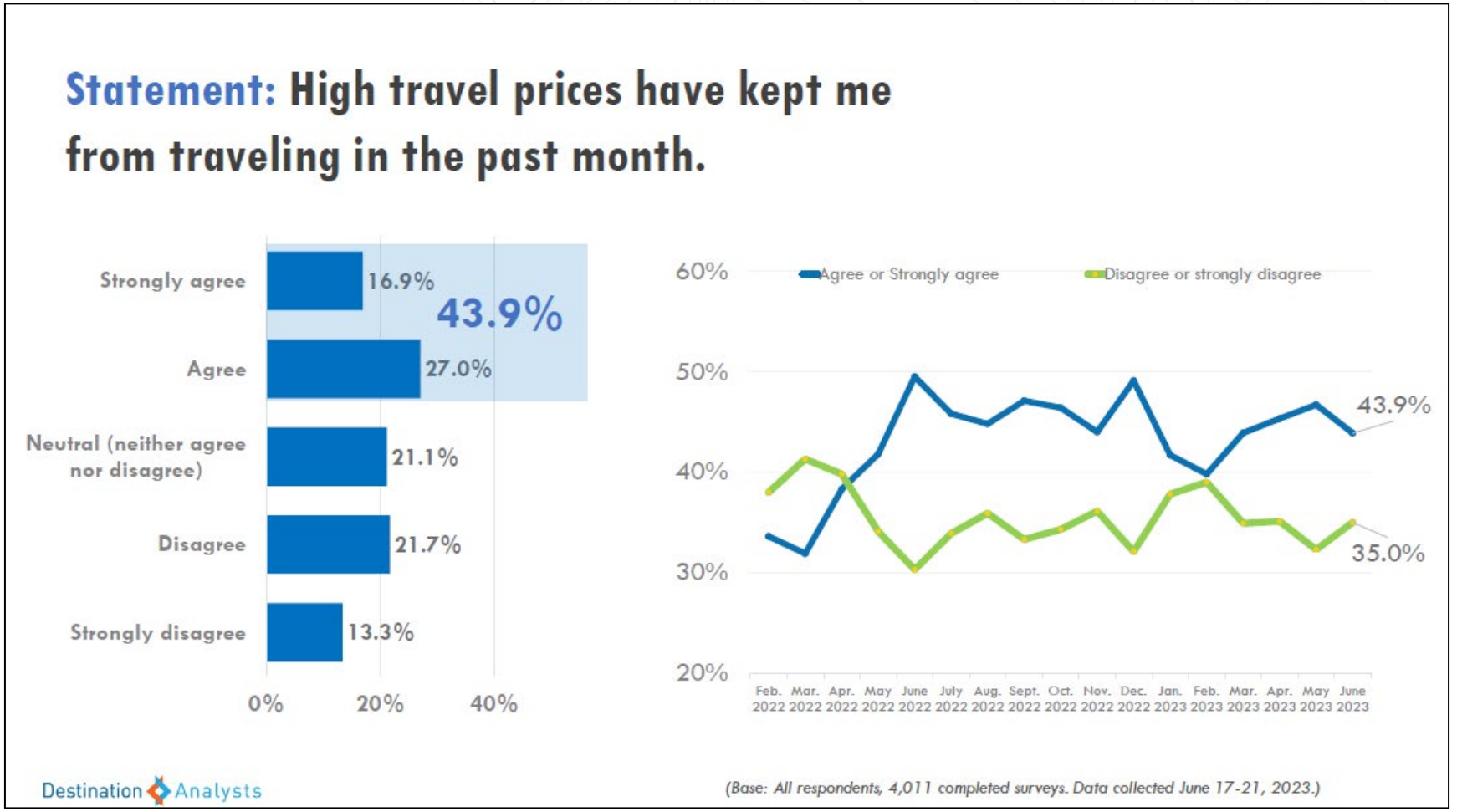
Destination Analysts

PAGE 20

Source: Destination Analysts

DESTINATION ANALYSTS – The State of the American Traveler

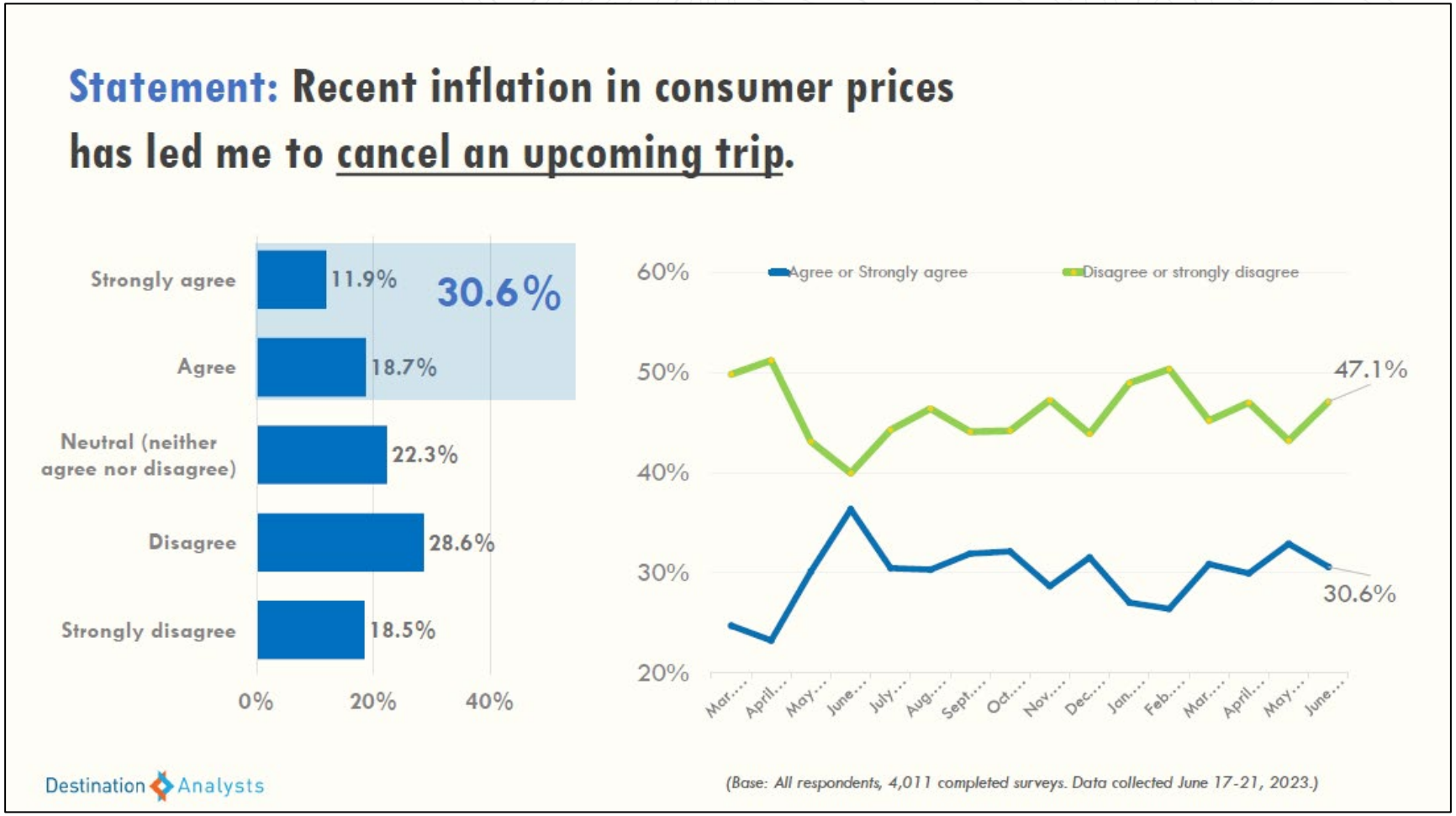
*Survey Fielded June 17-21, 2023; Representative sample of adult American travelers; N=4,000+



Source: Destination Analysts

DESTINATION ANALYSTS – The State of the American Traveler

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



Source: Destination Analysts

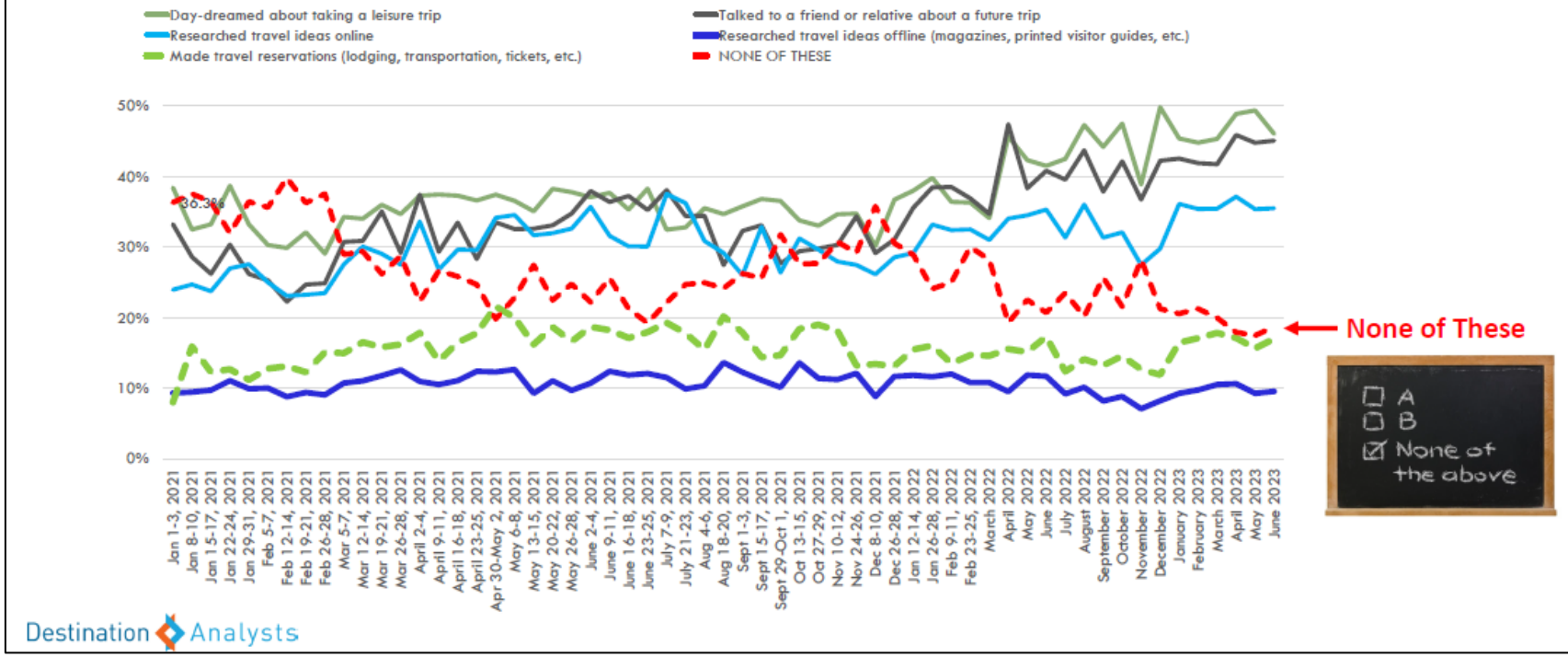
DESTINATION ANALYSTS – The State of the American Traveler

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

TRAVEL PLANNING IN THE PAST WEEK

Question: In the PAST WEEK, which of the following have you done? (Select all that complete the sentence)

In the PAST WEEK I have _____



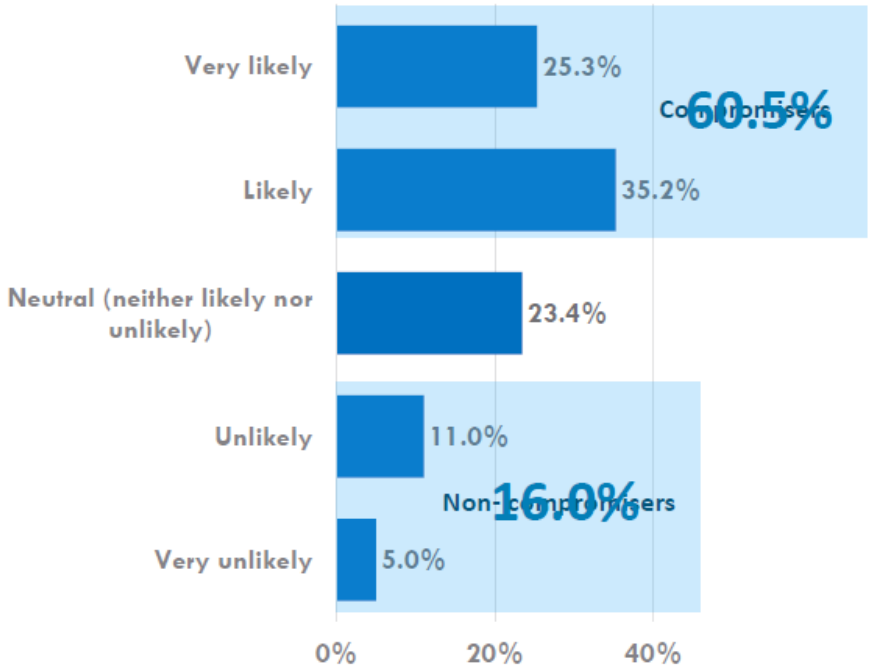
Source: Destination Analysts

DESTINATION ANALYSTS – The State of the American Traveler

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

Question: In the NEXT THREE (3) MONTHS, how likely will you to be to compromise aspects of your travel experience in order to save money? (Select one to complete the sentence)

I will be _____ to compromise aspects of my travel experience to save money.



Destination Analysts

(Base: Respondents planning a trip in the next 3 months, 3,352 completed surveys. Data collected June 17-21, 2023.)

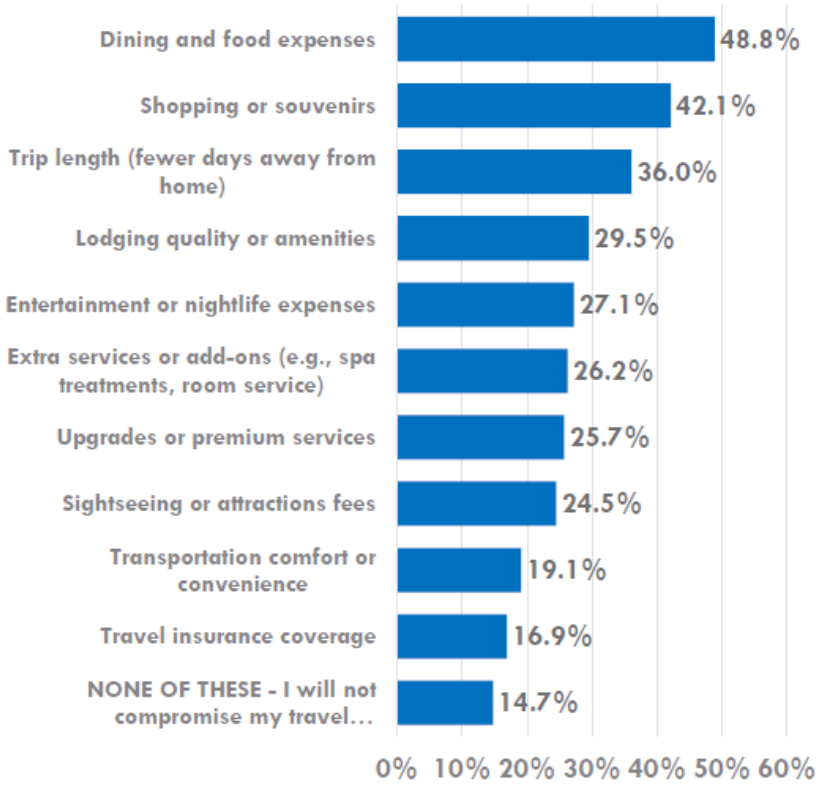
Source: Destination Analysts

DESTINATION ANALYSTS – The State of the American Traveler

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

Question: In the NEXT THREE (3) MONTHS when attempting to save money on travel, which of these aspects (if any) will you be likely to compromise on?

I will likely compromise on _____ to save money



Destination Analysts

(Base: Respondents planning a trip in the next 3 months, 3,352 completed surveys. Data collected June 17-21, 2023.)

Source: Destination Analysts

DISCOVER Kalispell MT

Thank You!

BLUE ROOM RESEARCH