DISCOVER KALISPELL MT

Monthly Research Update

December 2023 Review

DISCOVER KALISPELL MONTANA

Kalispell Tourism Trends

- Glacier Park International Airport continued to show strong passenger growth throughout 2023.
  - December 2023 total passengers increased 13.9% Year-Over-Year (YoY).
  - 895,998 passengers passed through the airport in 2023, an increase of 7.6% compared to 2022.
- Kalispell hotels showed mixed results in December 2023 when compared to December 2022.
  - Occupancy decreased 10.3%, driven by an 8.1% decrease in Demand and a 2.4% increase in Supply.
  - While ADR grew 7.1%, the sizable decrease in Demand drove Total Revenue down by 1.5%.
- Short Term Rentals reported overall lower results in December 2023 versus the same month last year.
  - Occupancy decreased by 9.7%, largely due to a 24.6% increase in Supply.
  - ADR and RevPAR declined by 16.2% and 24.4% respectively.
  - Demand grew by 12.4%, but the lower ADR led to a 5.8% decrease in Total Revenue.

U.S. Market Review - Macroeconomic Trends

- Economic conditions facing the U.S. traveler continue to show resilience. The Bureau of Labor Statistics (BLS) jobs report for December indicated that 216,000 jobs were added during the month, a total even higher than the unexpectedly robust November number of 173,000. This left the unemployment rate unchanged at 3.7%. The positive employment news may have led many to begin planning trips for 2024, as year-over-year (YOY) growth in short-term rental bookings remained in the double digits in December at 11.5%, despite dipping below November's 12.3%.

- Consumers and investors have also been carefully watching economic data for signs that monetary loosening is on the horizon. Consumer Price Index (CPI) inflation did increase slightly in December to 3.3% from November's 3.1%. However, inflation minus food and energy—a less volatile measure considered by the Federal Reserve—slowed to 3.9% in December from 4.0% in November. Moreover, a measure called the Producer Price Index (PPI) that reflects how much producers receive for their goods and, in turn, indicates how consumer prices may change, fell slightly in December. Revised data from the BLS shows very strong productivity gains in Q3 that could exert some pressure to drop inflation.

- Amid this ambivalent inflation data, the Fed has recently signaled that it plans on relaxing monetary policy, which could include rate decreases. Lenders have begun to reduce mortgage rates in anticipation of lower interest rates, dropping down from the high of 7.8% in October to 6.6% by the final week of December, according to Freddie Mac.

Source: Bureau of Labor Statistics, Oxford Economics, and AirDNA

U.S. Market Review – Short Term Rentals

- 2023 was a dynamic year in the U.S. short-term rental (STR industry). Over the past 12 months, we saw the most in-demand month on record; July marked nearly 24 million nights stayed, September racked up the largest-ever number of available listings in a month with 1.64 million, and annual revenue reached its highest amount yet at approximately $64 billion.

- 2023 also brought the end of the incredible occupancy seen since 2021. High inflation and the looming threat of a widely forecasted recession—one that fortunately never materialized—weighed down demand growth. Occupancy, particularly at the beginning of the year, dipped below pre-pandemic levels as the rapid supply growth overcorrected for the soaring occupancy from previous years.

- On the other hand, the economy performed better than expected by the end of the year. Recession is no longer a fixture in Oxford Economics' baseline forecast, and the unemployment level remains at near-record lows. Although many uncertainties still exist across geopolitics, natural disasters, and the U.S. regulatory environment, we're starting 2024 on a much firmer economic footing than in January 2023.

- Key U.S. Short Term Rental Performance Metrics – December 2023
  - RevPAR declined 8.1% YOY to $155.37
  - Available listings reached 1.61 million, up 14.3% year-over-year (YOY)
  - Total demand (nights) rose 4.3% YOY
  - Occupancy was 5.8% lower YOY at 49.9% (-0.6% vs. 2019)
  - Average daily rates (ADRs) fell 2.4% YOY to $311.09
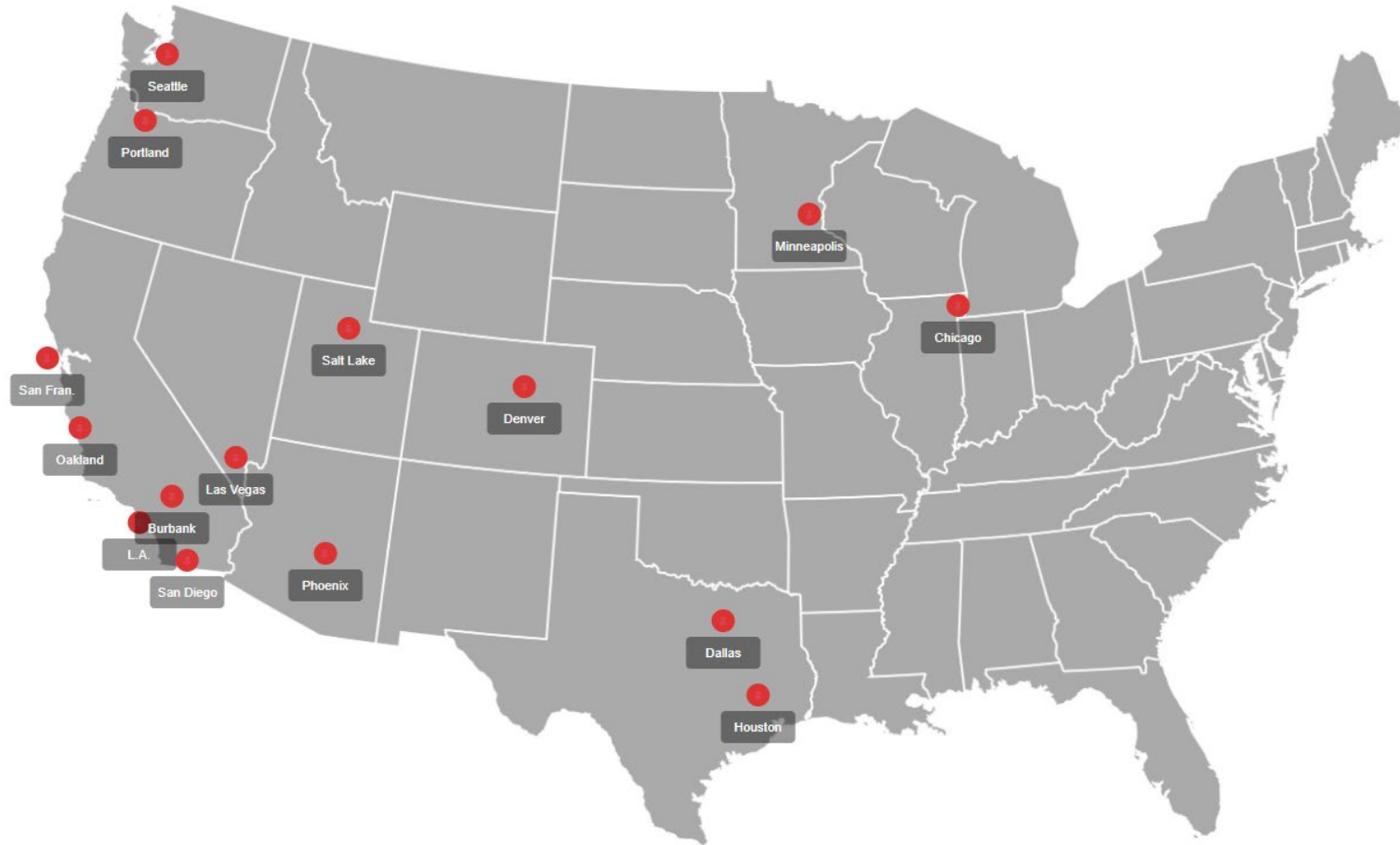 - Nights booked increased 11.5% YOY

Source: AirDNA

Glacier Park International Airport Data
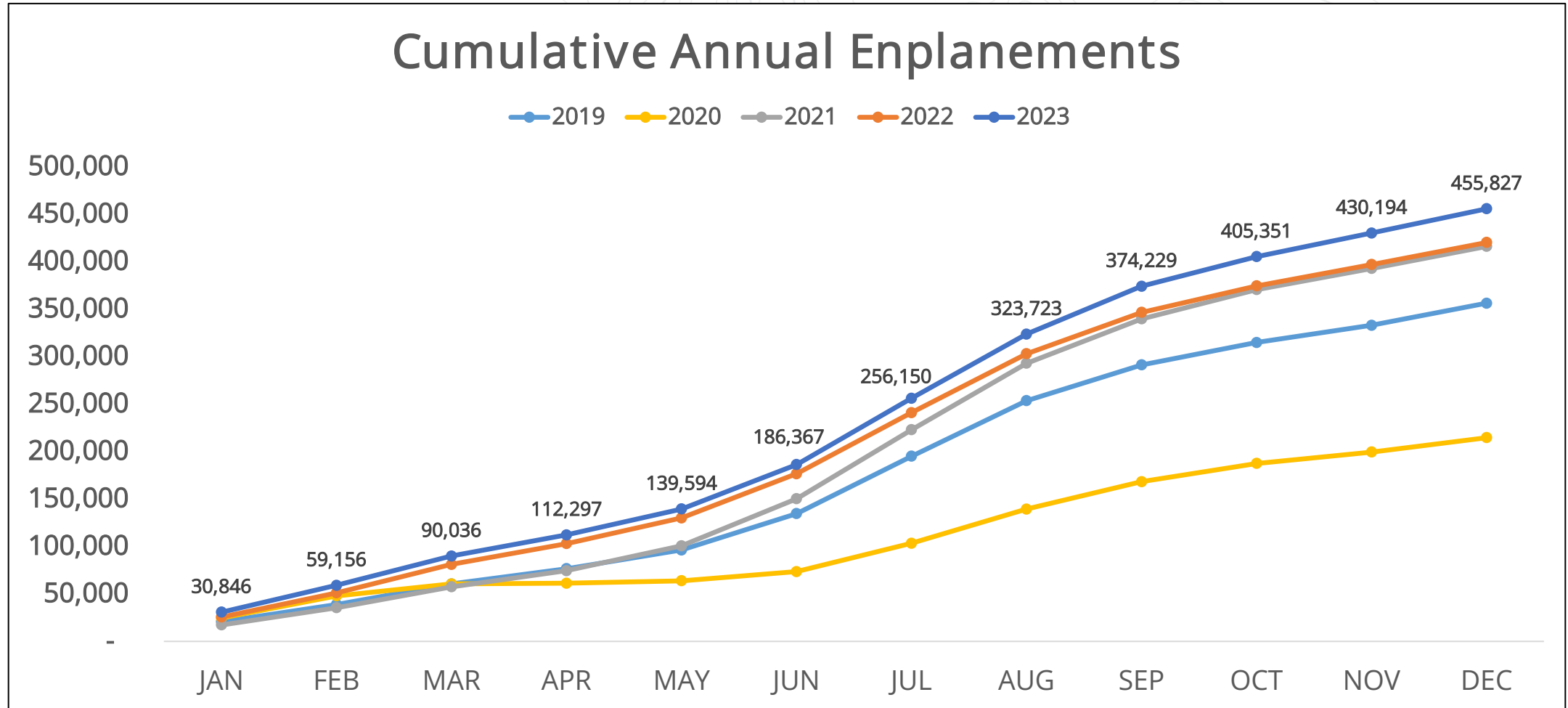
Glacier Park International Airport

— 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	54,694	56,807	-3.7%	52,994	3.2%
June	96,564	97,429	-0.9%	103,426	-6.6%
July	138,012	128,144	7.7%	144,891	-4.7%
August	129,078	119,508	8.0%	132,811	-2.8%
September	96,891	82,965	16.8%	92,063	5.2%
October	59,071	53,031	11.4%	58,516	0.9%
November	48,460	44,681	8.5%	44,274	9.5%
December	54,527	47,629	13.9%	49,079	10.6%
Year-to-Date	895,998	832,518	7.6%	826,096	8.5%
Total	895,998	832,518		826,096	

Source: Glacier Park International Airport

Glacier Park International Airport

Cumulative Annual Enplanements

Legend: 2019, 2020, 2021, 2022, 2023

Data labels (2023 line): 30,846 · 59,156 · 90,036 · 112,297 · 139,594 · 186,367 · 256,150 · 323,723 · 374,229 · 405,351 · 430,194 · 455,827

Months: JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

Y-axis: 50,000 · 100,000 · 150,000 · 200,000 · 250,000 · 300,000 · 350,000 · 400,000 · 450,000 · 500,000
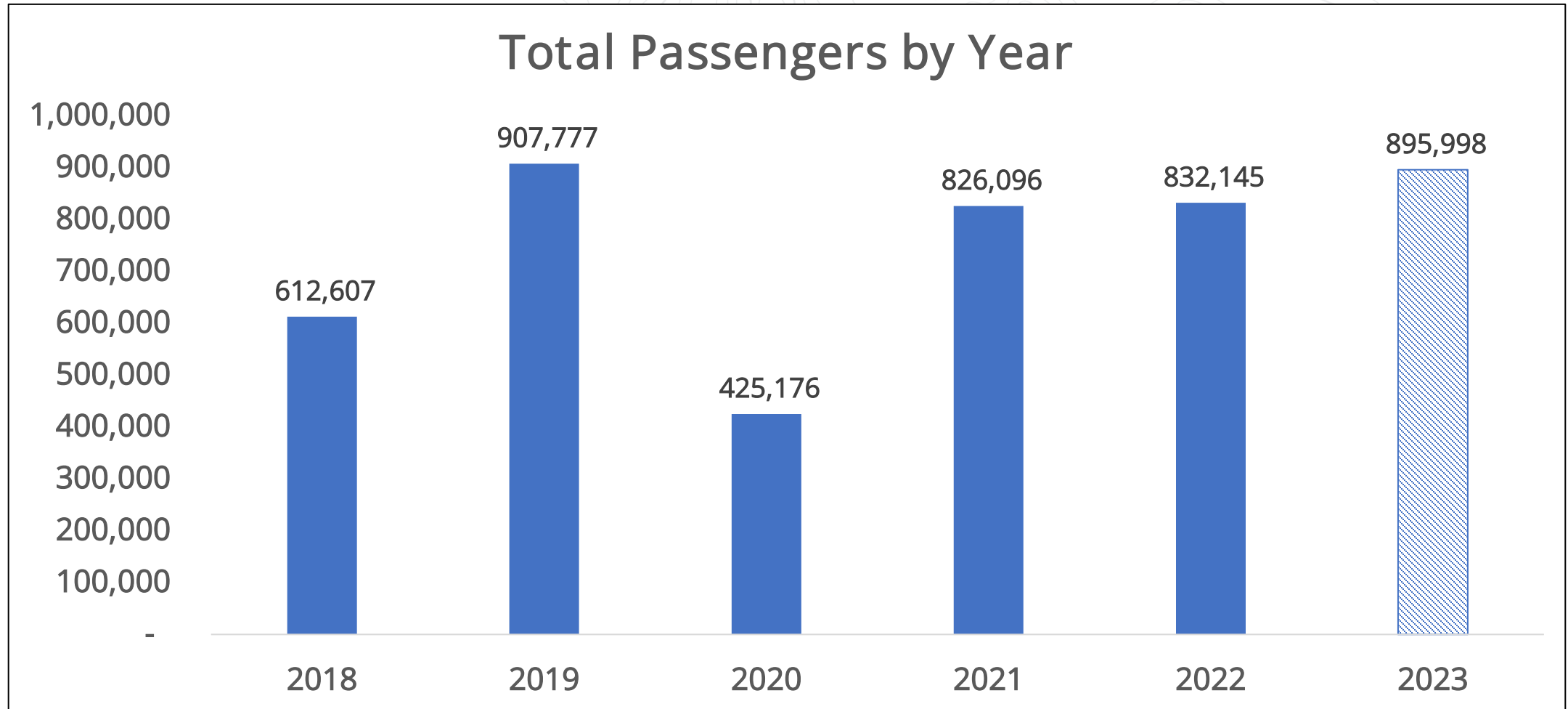
*** Enplanements only (not total passengers)**

Source: Glacier Park International Airport

Glacier Park International Airport

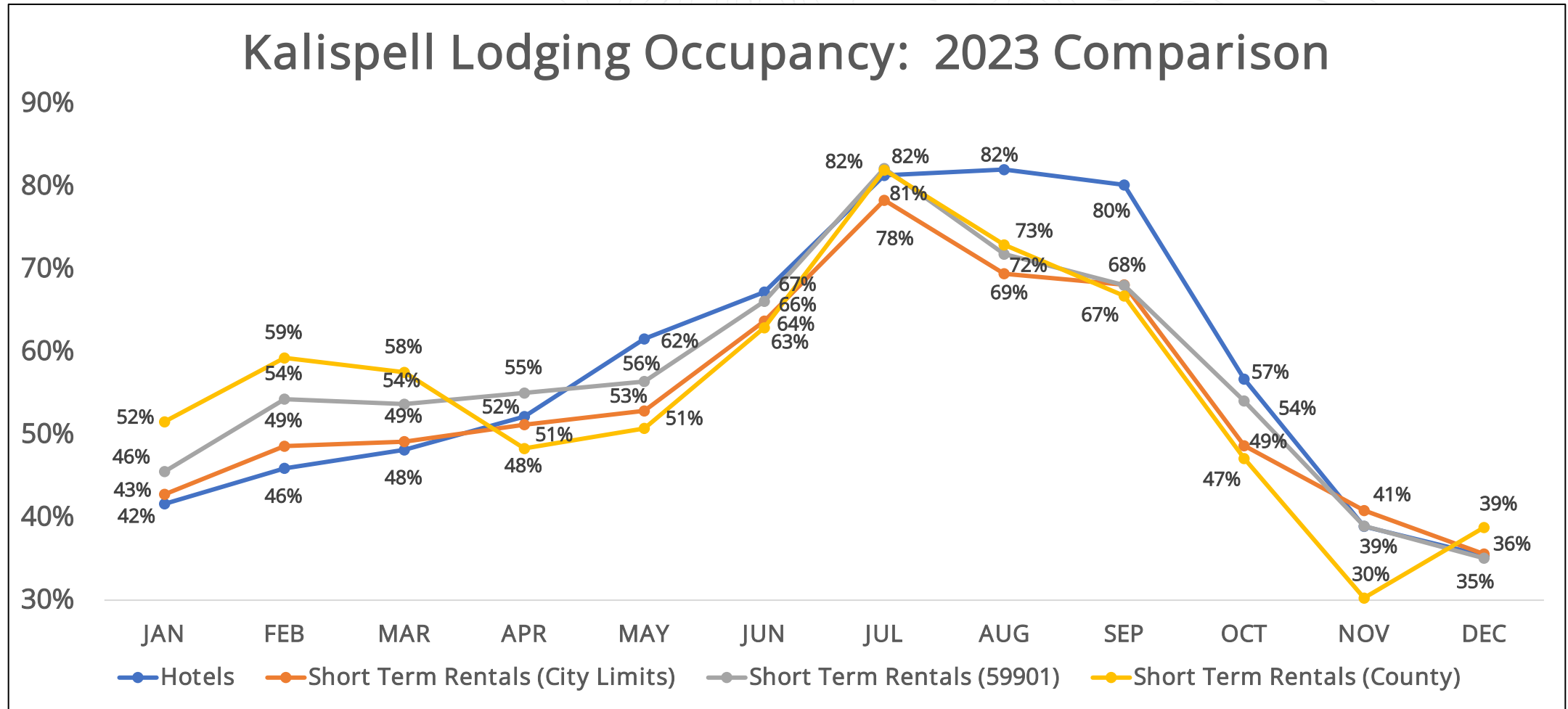Total Passengers by Year
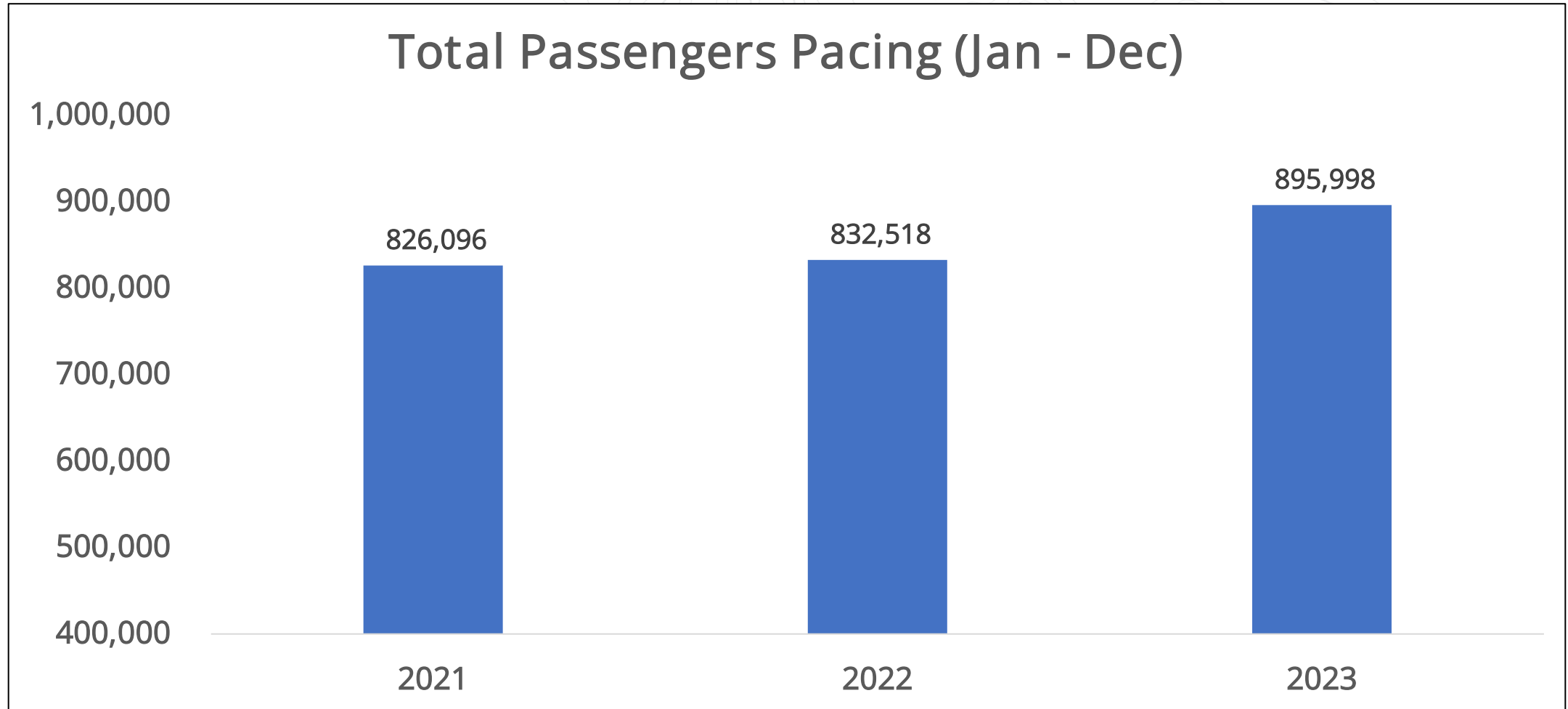
Source: Glacier Park International Airport
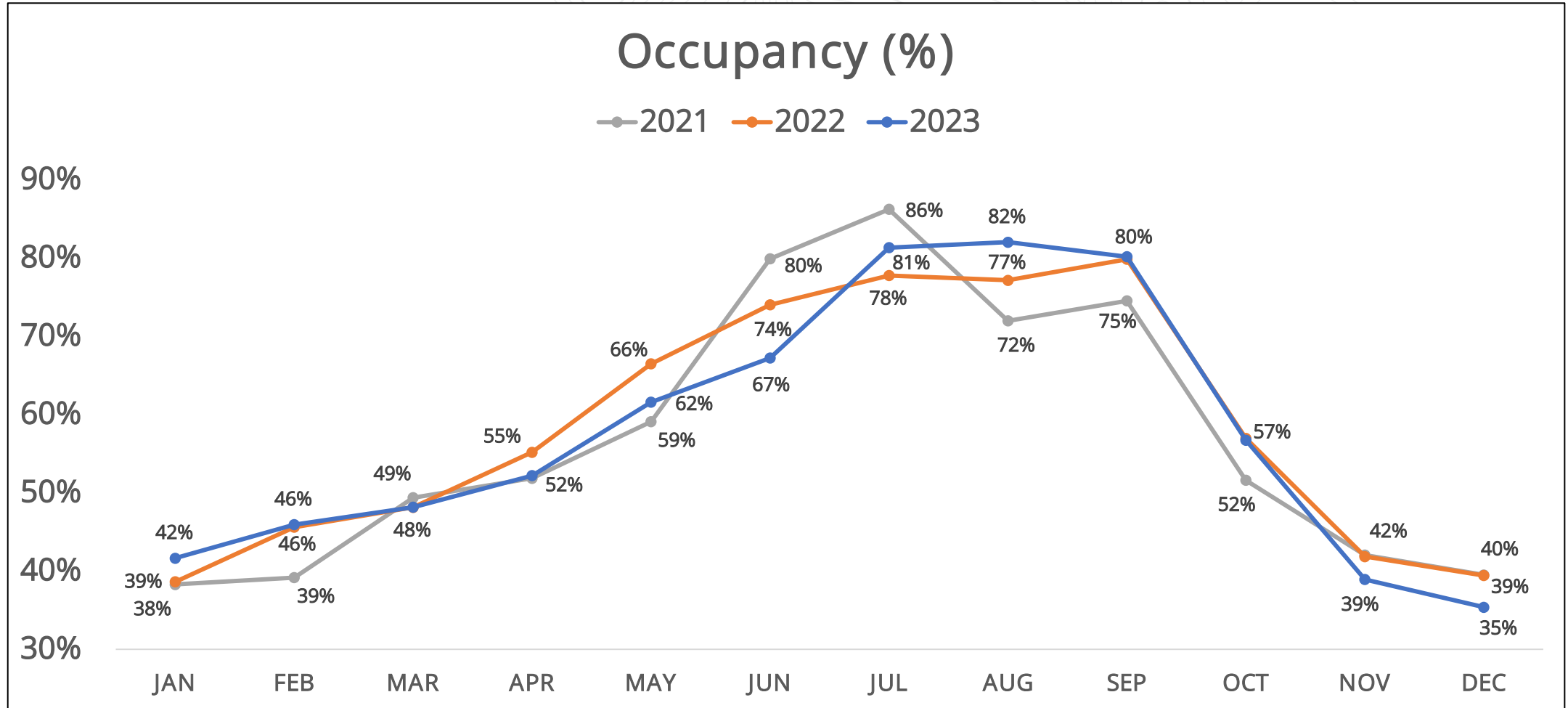
STR Hotel Data

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

Kalispell Lodging Occupancy: 2023 Comparison

Legend: Hotels, Short Term Rentals (City Limits), Short Term Rentals (59901), Short Term Rentals (County)

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

Hotel Occupancy by Month

Kalispell hotel Occupancy decreased 10.3%, ADR increased 7.1%, and RevPAR decreased 3.9% Year-Over-Year

Occupancy (%)

Legend: 2021, 2022, 2023

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2021	38%	39%	49%	52%	59%	80%	86%	72%	75%	52%	42%	40%
2022	39%	46%	48%	55%	66%	74%	78%	77%	80%	57%	42%	39%
2023	42%	46%	48%	52%	62%	67%	81%	82%	80%	57%	39%	35%

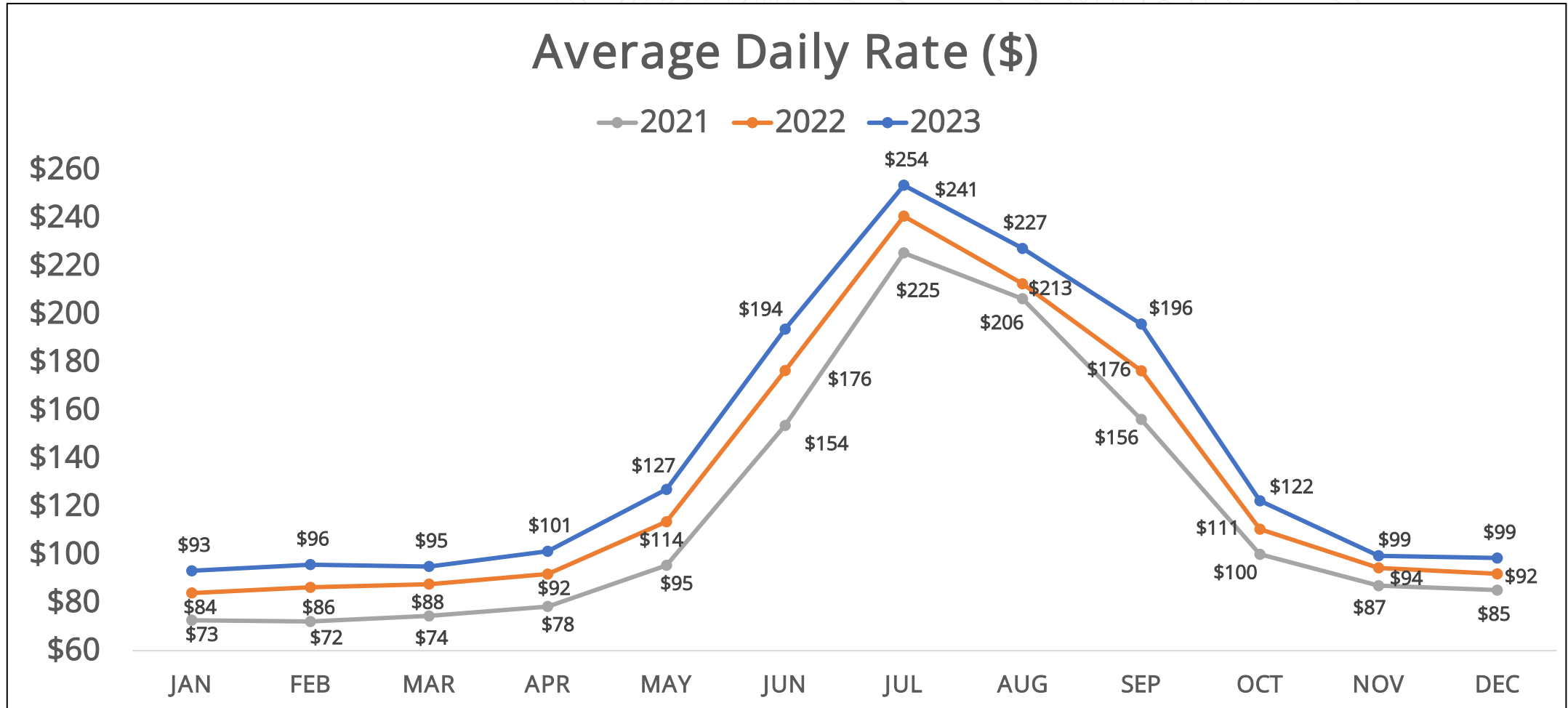| 2021 Occupancy = 57%	2022 Occupancy = 58%

Source: Smith Travel Research

Hotel Average Daily Rate (ADR) by Month

Kalispell hotel Occupancy decreased 10.3%, ADR increased 7.1%, and RevPAR decreased 3.9% Year-Over-Year

Average Daily Rate ($)

Legend: 2021, 2022, 2023
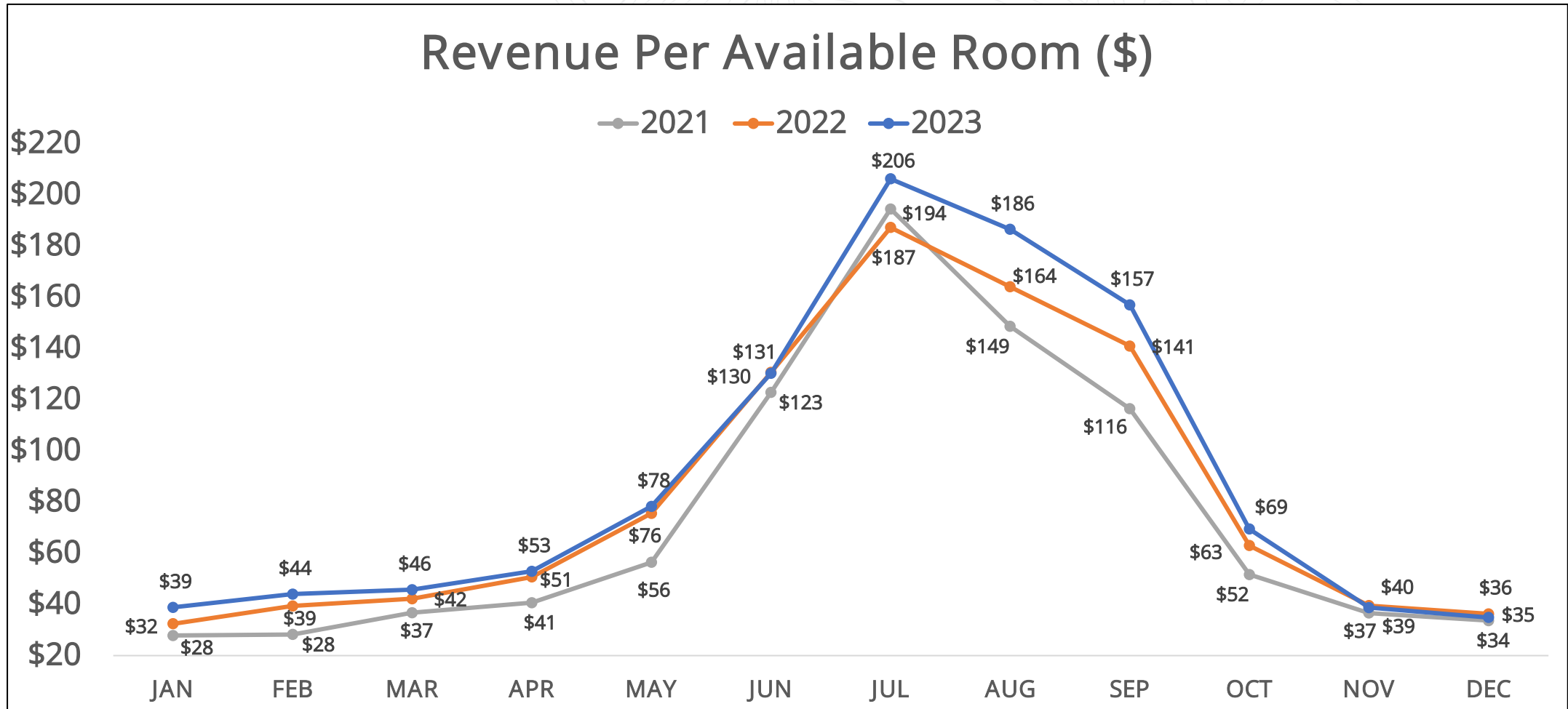
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2023	$93	$96	$95	$101	$127	$194	$254	$227	$196	$122	$99	$99
2022	$84	$86	$88	$92	$114	$176	$241	$213	$176	$111	$94	$92
2021	$73	$72	$74	$78	$95	$154	$225	$206	$156	$100	$87	$85

2021 ADR = $117   2022 ADR = $131

Source: Smith Travel Research

Hotel Revenue Per Available Room by Month

Kalispell hotel Occupancy decreased 10.3%, ADR increased 7.1%, and RevPAR decreased 3.9% Year-Over-Year

Revenue Per Available Room ($)

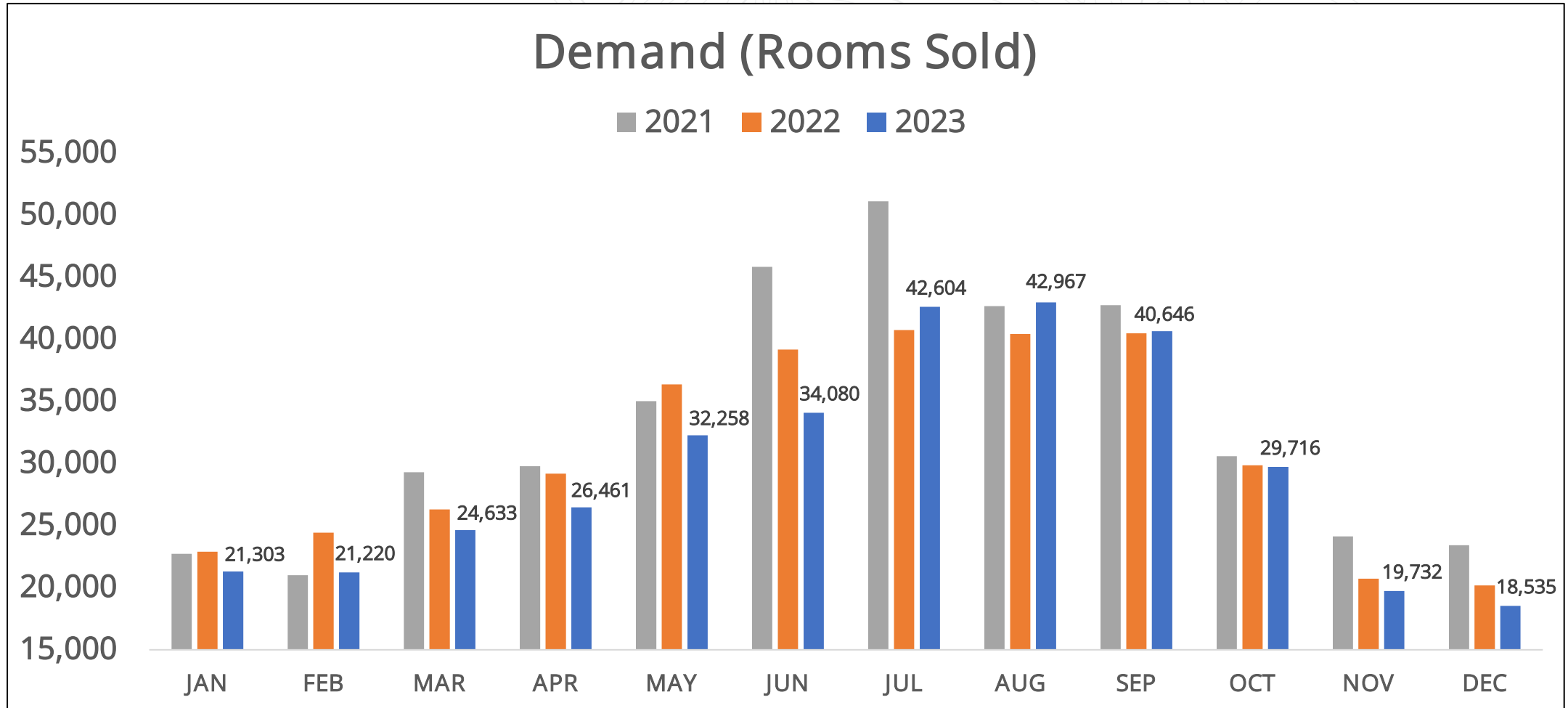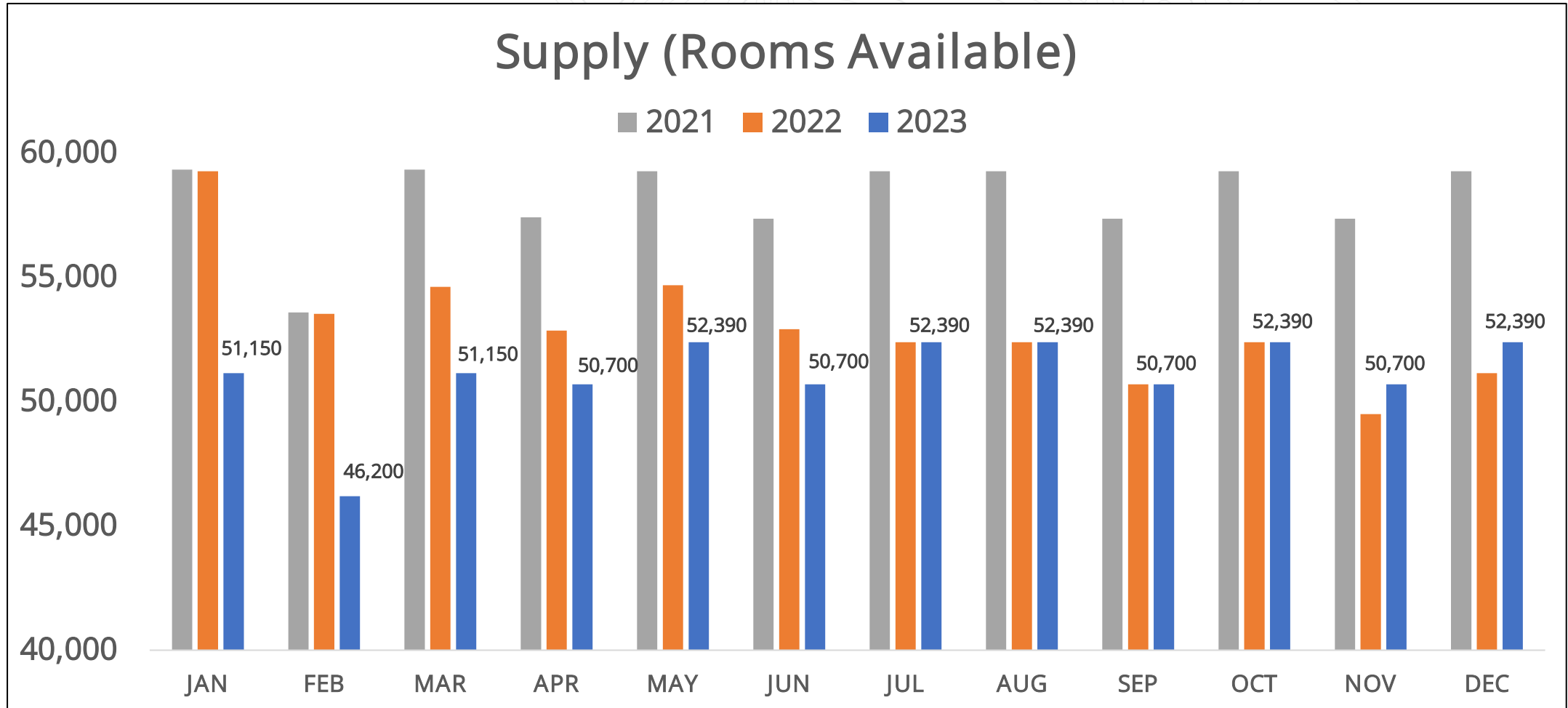Legend: 2021, 2022, 2023

Month	2021	2022	2023
JAN	$28	$32	$39
FEB	$28	$39	$44
MAR	$37	$42	$46
APR	$41	$51	$53
MAY	$56	$76	$78
JUN	$123	$130	$131
JUL	$194	$187	$206
AUG	$149	$164	$186
SEP	$116	$141	$157
OCT	$52	$63	$69
NOV	$37	$40	$39
DEC	$34	$35	$36

2021 RevPAR = $74   2022 RevPAR = $83

Source: Smith Travel Research

Hotel Demand (Rooms Sold) by Month

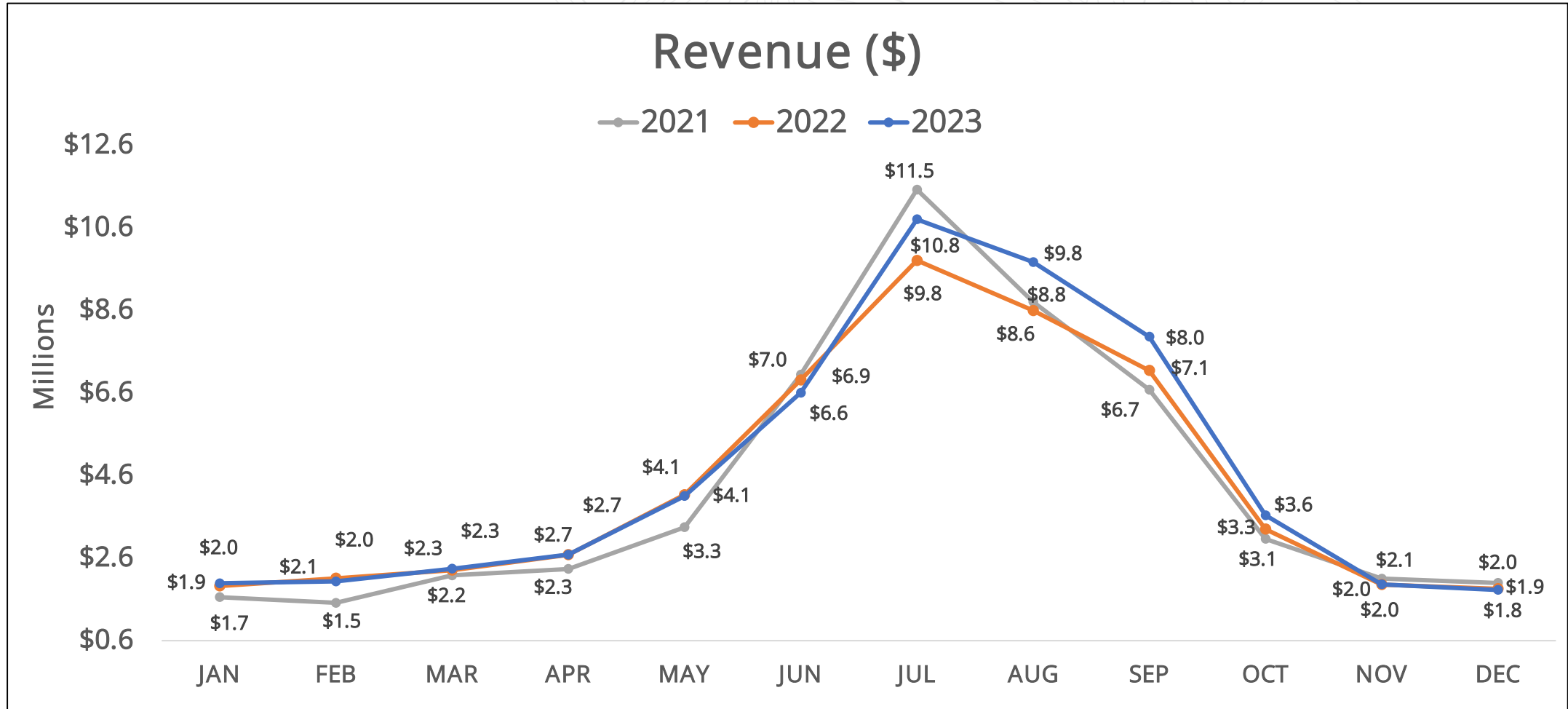Kalispell hotel Demand decreased 8.1%, Supply increased 2.4%, and Revenue decreased 1.5% Year-Over-Year

Demand (Rooms Sold)

■ 2021 ■ 2022 ■ 2023

Data labels (2023):
- MAR 24,633
- APR 26,461
- MAY 32,258
- JUN 34,080
- JUL 42,604
- AUG 42,967
- SEP 40,646
- OCT 29,716
- JAN 21,303
- FEB 21,220
- NOV 19,732
- DEC 18,535

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

Source: Smith Travel Research

Kalispell hotel Demand decreased 8.1%, Supply increased 2.4%, and Revenue decreased 1.5% Year-Over-Year

Supply (Rooms Available)

■ 2021   ■ 2022   ■ 2023

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

2023 values labeled: JAN 51,150 · FEB 46,200 · MAR 51,150 · APR 50,700 · MAY 52,390 · JUN 50,700 · JUL 52,390 · AUG 52,390 · SEP 50,700 · OCT 52,390 · NOV 50,700 · DEC 52,390

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

Source: Smith Travel Research

Hotel Revenue by Month

Kalispell hotel Demand decreased 8.1%, Supply increased 2.4%, and Revenue decreased 1.5% Year-Over-Year

Revenue ($)

2021   2022   2023

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2021	$1.7	$1.5	$2.2	$2.3	$3.3	$6.6	$11.5	$8.6	$6.7	$3.1	$2.1	$1.9
2022	$1.9	$2.1	$2.3	$2.7	$4.1	$7.0	$10.8	$8.8	$7.1	$3.3	$2.0	$2.0
2023	$2.0	$2.0	$2.3	$2.7	$4.1	$6.9	—	$9.8	$8.0	$3.6	$2.0	$1.8

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

Source: Smith Travel Research

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 *
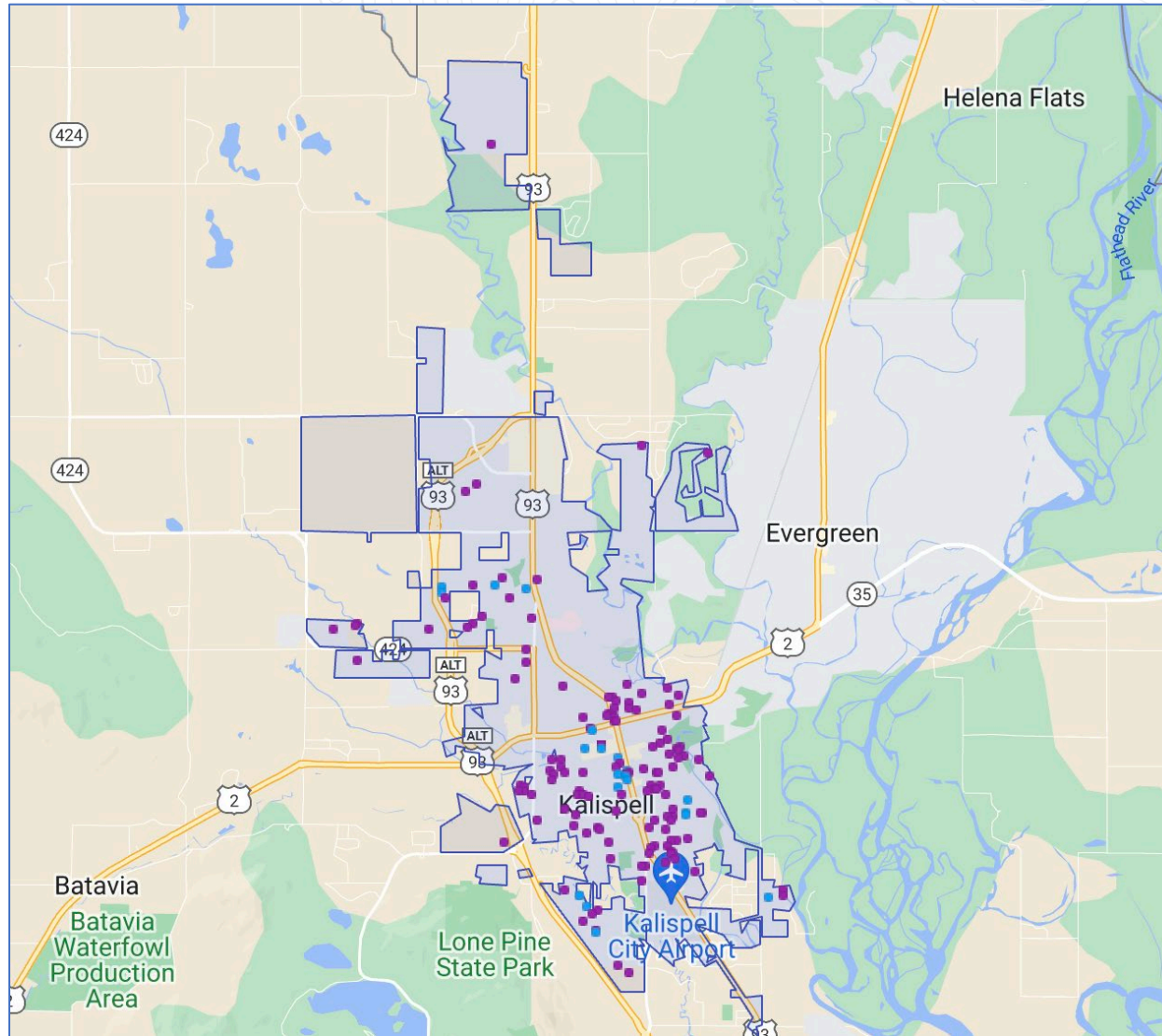
*Kalispell City Limits

Source: AirDNA (Airbnb/Vrbo Short Term Rentals)

AirDNA Short Term Rentals - Unit Size

Kalispell Short Term Rental 1-Bedroom Listings increased 95.8% and 2-Bedroom Listings increased 30.8% Year-Over-Year
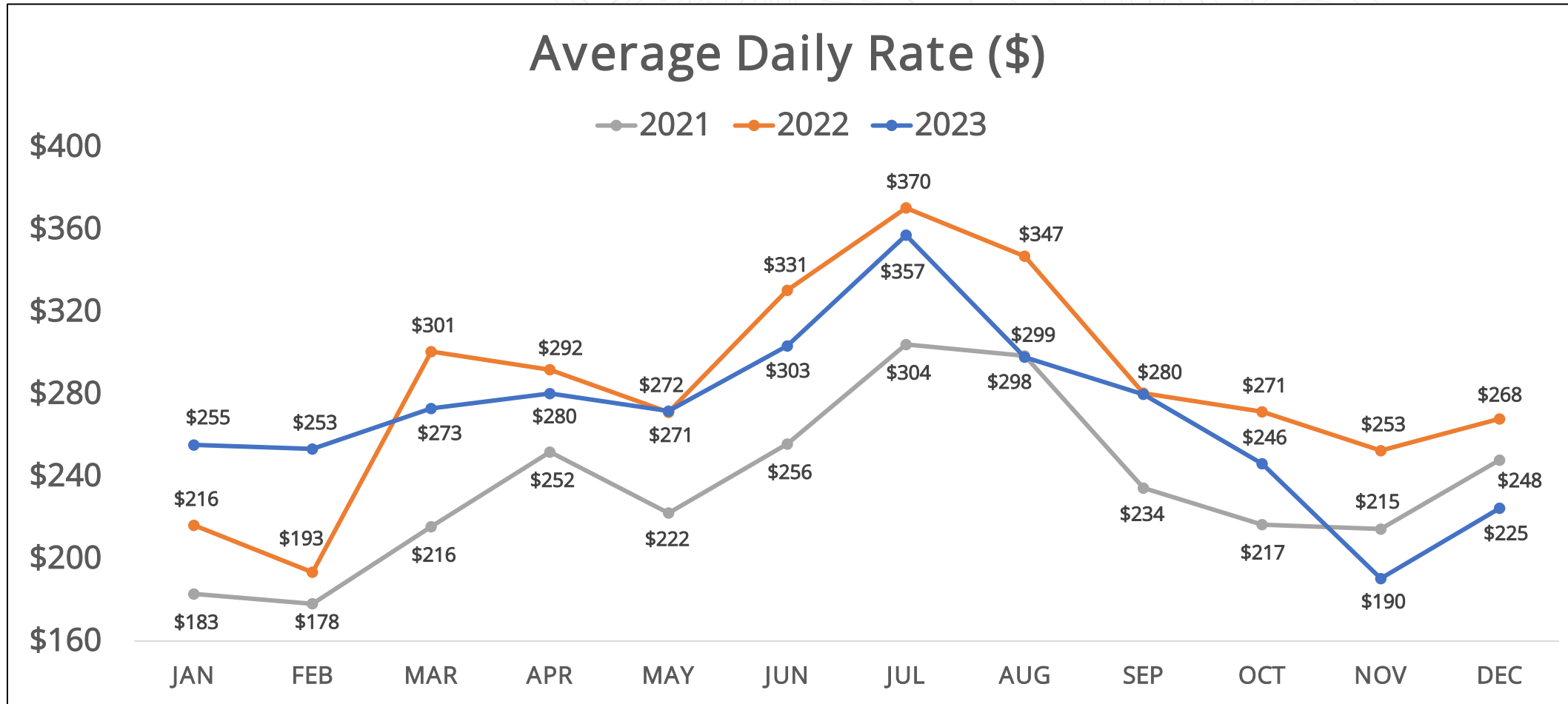

Current Available Listings by Unit Size
(2022 - 2023)

Legend: ■ Dec-22 ■ Dec-23

Unit Size	Dec-22	Dec-23
Studio	4	7
1 Bedroom	24	47
2 Bedrooms	26	34
3 Bedrooms	32	33
4+ Bedrooms	20	20

Source: AirDNA (Airbnb/Vrbo Short Term Rentals)
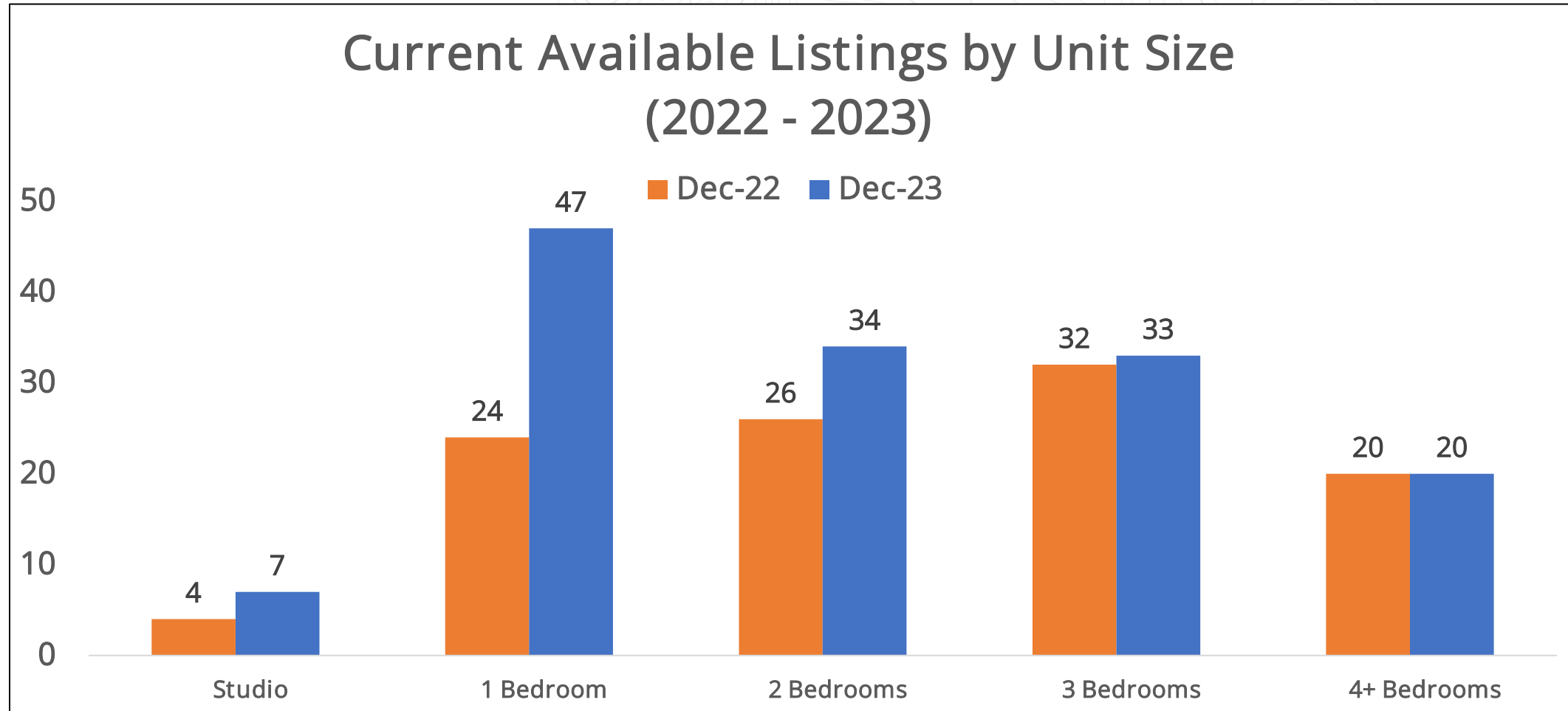
AirDNA Short Term Rentals – Occupancy

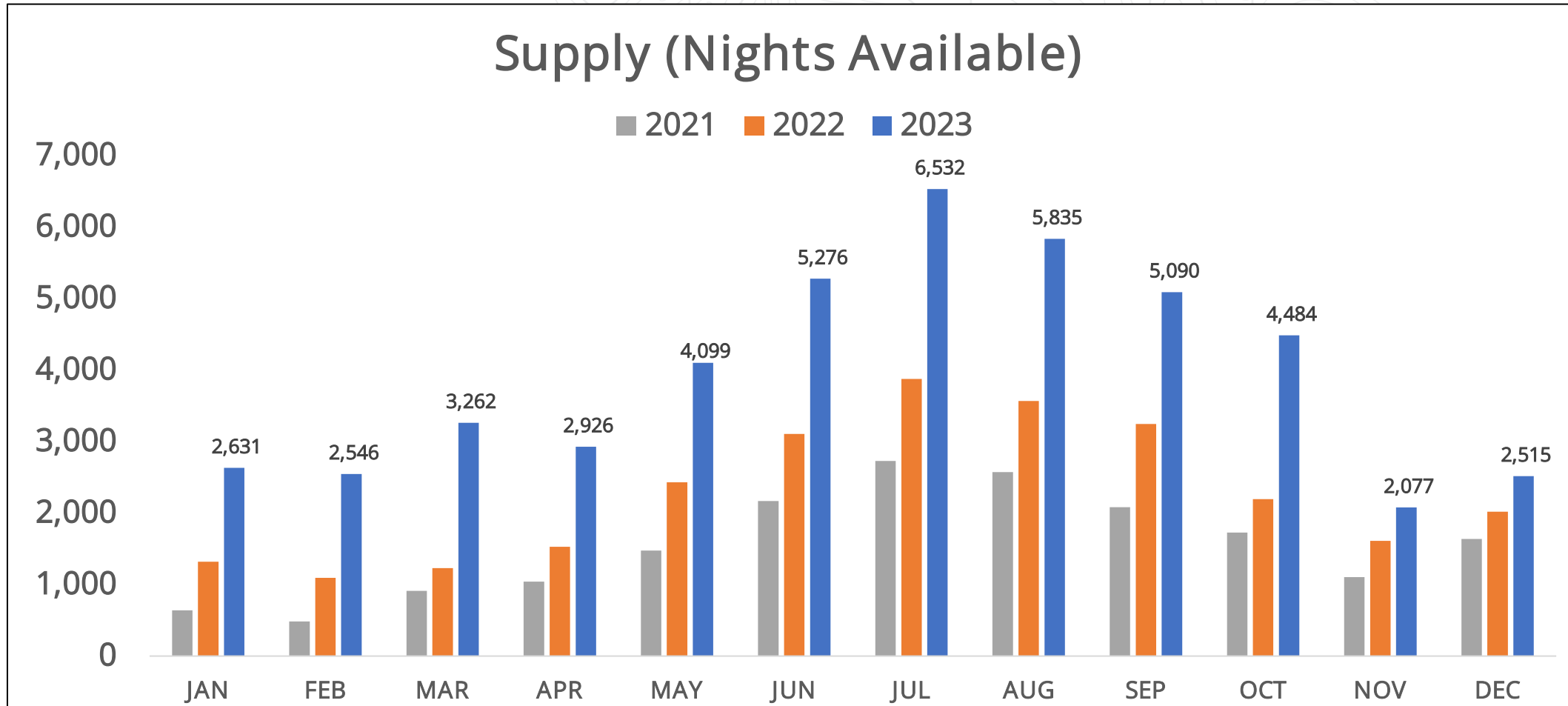## Kalispell Short Term Rental Occupancy decreased 9.7%, ADR decreased 16.2%, and RevPAR decreased 24.4% Year-Over-Year

Occupancy (%)

Legend: 2021, 2022, 2023

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2021	52%	46%	64%	51%	64%	78%	88%	85%	81%	62%	56%	53%
2022	51%	50%	51%	57%	57%	66%	82%	77%	70%	52%	41%	40%
2023	39%	42%	44%	46%	46%	59%	72%	65%	68%	41%	44%	36%

Source: AirDNA (Airbnb/Vrbo Short Term Rentals)
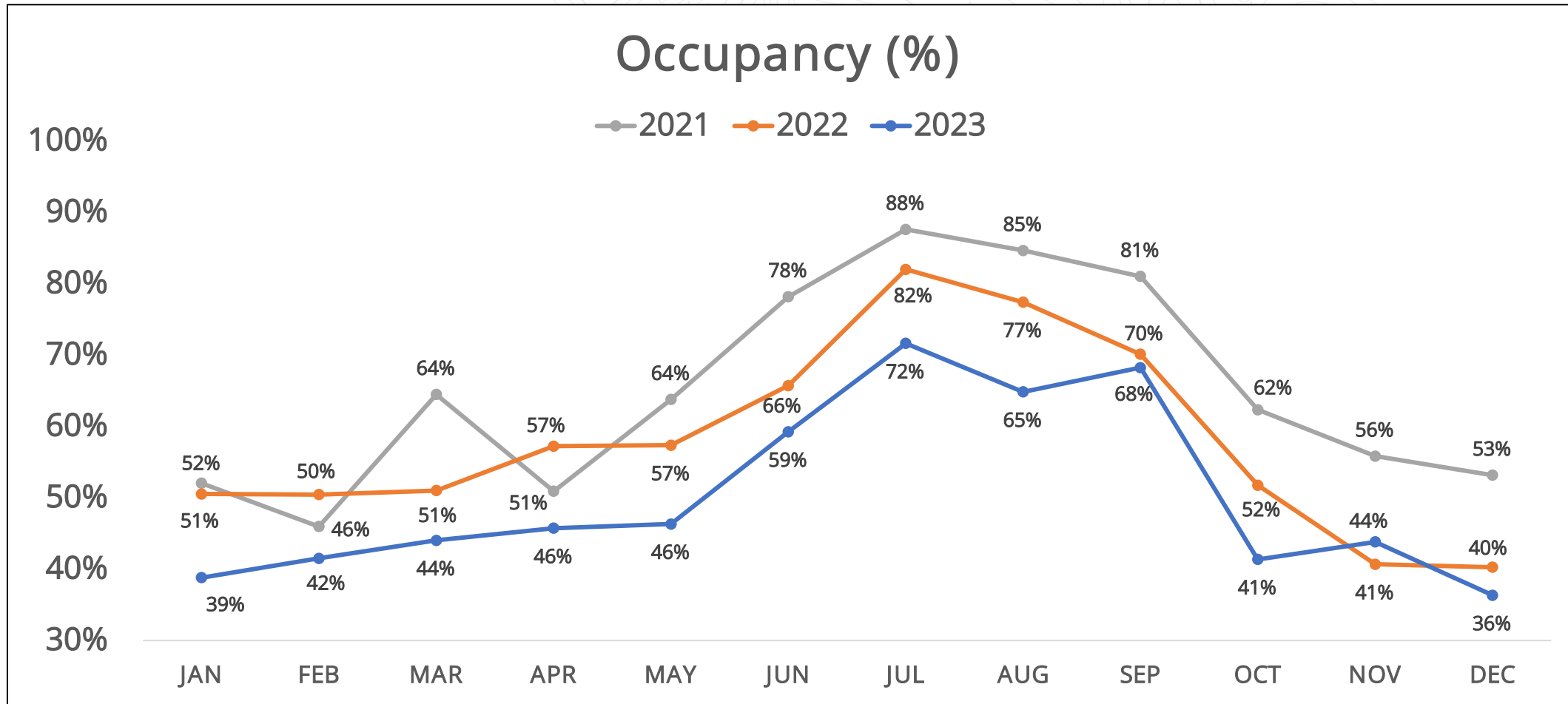
AirDNA Short Term Rentals - ADR

Kalispell Short Term Rental Occupancy decreased 9.7%, ADR decreased 16.2%, and RevPAR decreased 24.4% Year-Over-Year

Average Daily Rate ($)

2021   2022   2023

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2021	$183	$178	$216	$252	$222	$256	$304	$298	$234	$217	$215	$248
2022	$216	$193	$301	$292	$272	$331	$370	$347	$280	$271	$253	$268
2023	$255	$253	$273	$280	$271	$303	$357	$299	$280	$246	$190	$225

Source: AirDNA (Airbnb/Vrbo Short Term Rentals)

AirDNA Short Term Rentals - RevPAR

Kalispell Short Term Rental Occupancy decreased 9.7%, ADR decreased 16.2%, and RevPAR decreased 24.4% Year-Over-Year

Revenue Per Available Rental ($)

Legend: 2021, 2022, 2023

Month	2021	2022	2023
JAN	$99	$109	$95
FEB	$82	$105	$98
MAR	$139	$153	$120
APR	$130	$167	$128
MAY	$142	$157	$126
JUN	$200	$217	$180
JUL	$266	$304	$256
AUG	$253	$269	$193
SEP	$190	$197	$191
OCT	$135	$140	$102
NOV	$120	$103	$83
DEC	$132	$108	$82

Source: AirDNA (Airbnb/Vrbo Short Term Rentals)
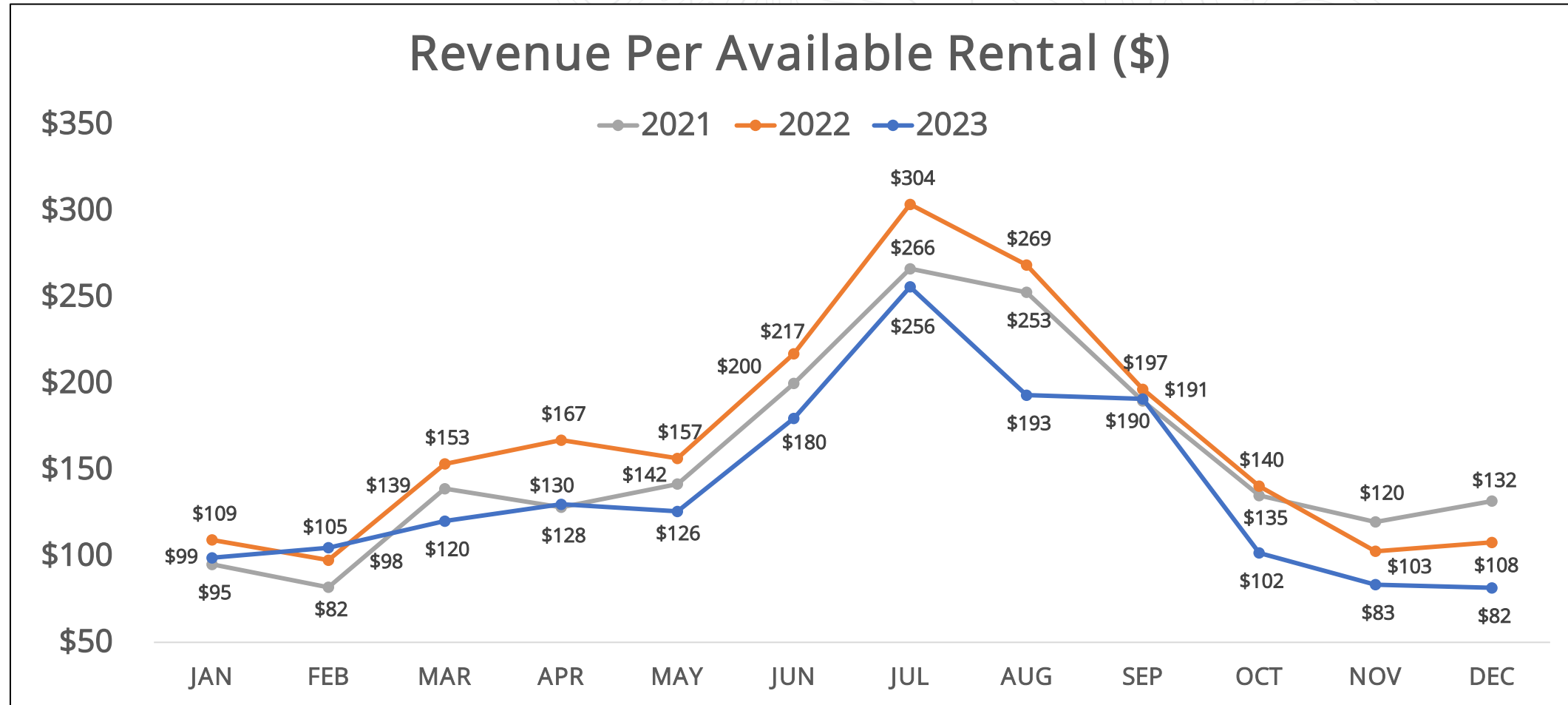
AirDNA Short Term Rentals – Demand

Kalispell Short Term Rental Demand increased 12.4%, Supply increased 24.6%, and Total Revenue decreased 5.8% Year-Over-Year

Demand (Nights Booked)

Source: AirDNA (Airbnb/Vrbo Short Term Rentals)
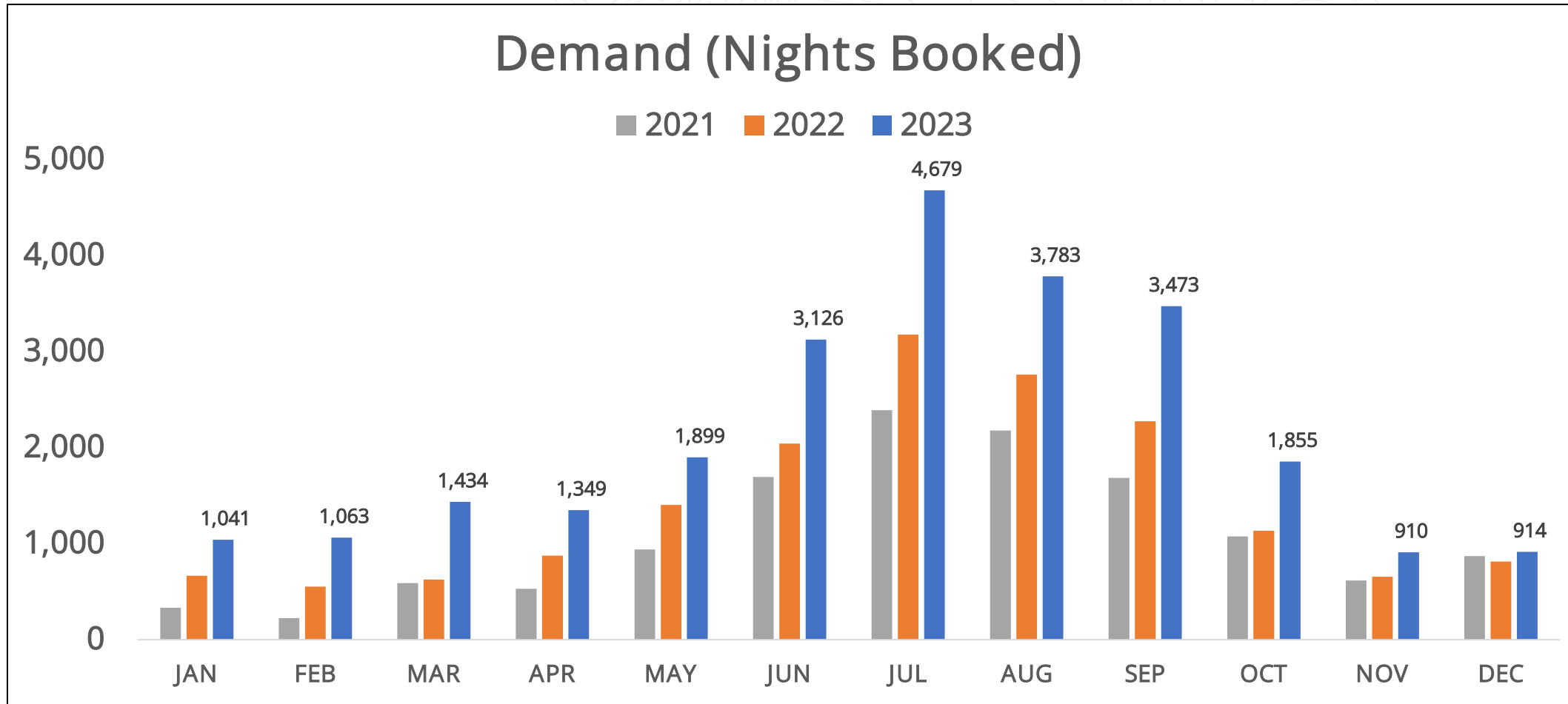
AirDNA Short Term Rentals – Supply

Kalispell Short Term Rental Demand increased 12.4%, Supply increased 24.6%, and Total Revenue decreased 5.8% Year-Over-Year

Supply (Nights Available)

■ 2021 ■ 2022 ■ 2023

Month	2023
JAN	2,631
FEB	2,546
MAR	3,262
APR	2,926
MAY	4,099
JUN	5,276
JUL	6,532
AUG	5,835
SEP	5,090
OCT	4,484
NOV	2,077
DEC	2,515

Source: AirDNA (Airbnb/Vrbo Short Term Rentals)

AirDNA Short Term Rentals – Total Revenue

Kalispell Short Term Rental Demand increased 12.4%, Supply increased 24.6%, and Total Revenue decreased 5.8% Year-Over-Year

Total Revenue ($)

2021 — 2022 — 2023

Source: AirDNA (Airbnb/Vrbo Short Term Rentals)
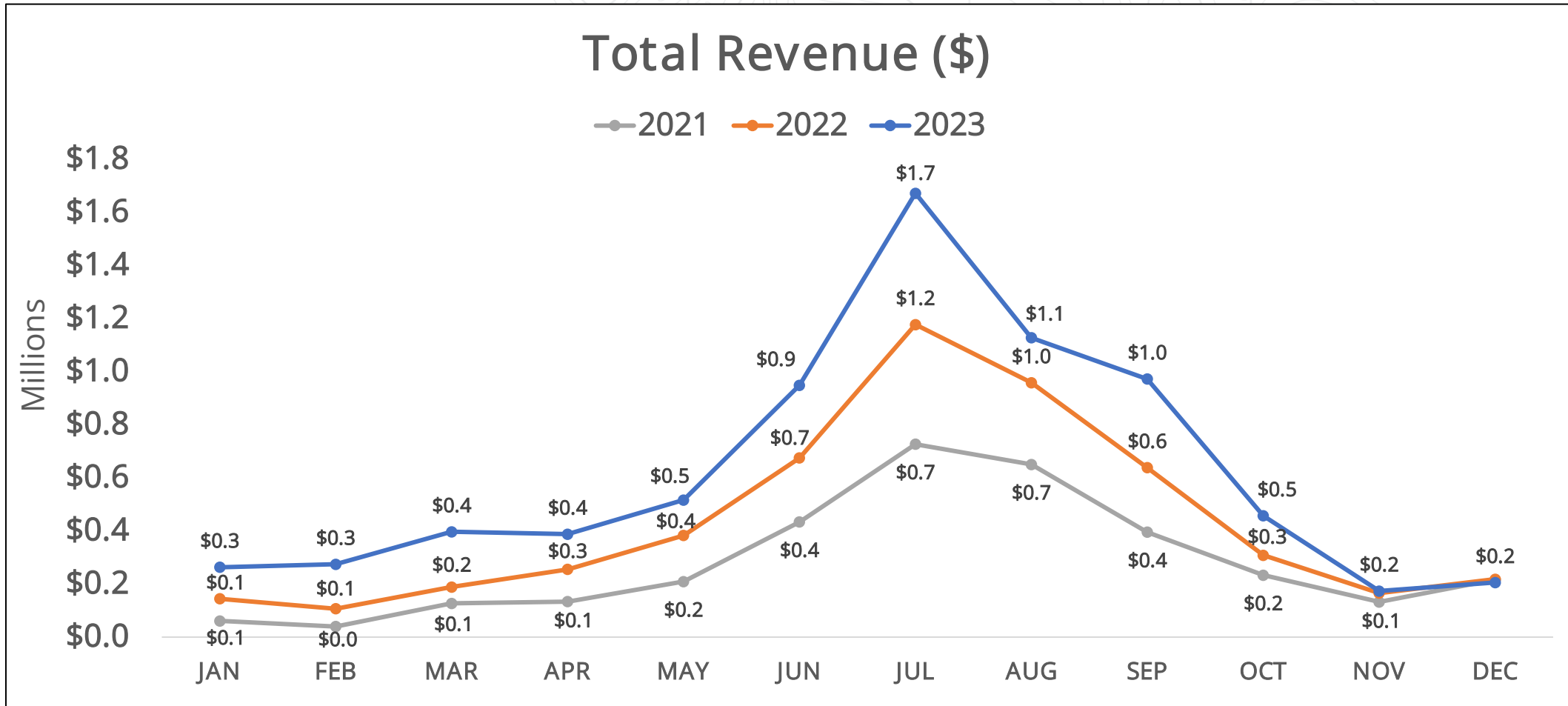
SECTION 04.

Visa Destination Insights

Visa – Domestic Visitor Spending

Kalispell Domestic Visitor Visa Card Spend increased 1.9% and Year-to-Date Spend decreased 4.0%

Domestic Visitor Card Spend by Month

Source: Visa Destination Insights

Visa – Domestic Visitor Spending

Kalispell Domestic Visitor Visa Card Spend increased 1.9% and Year-to-Date Spend decreased 4.0%

Year-to-Date Domestic Visitor Card Spend

Source: Visa Destination Insights
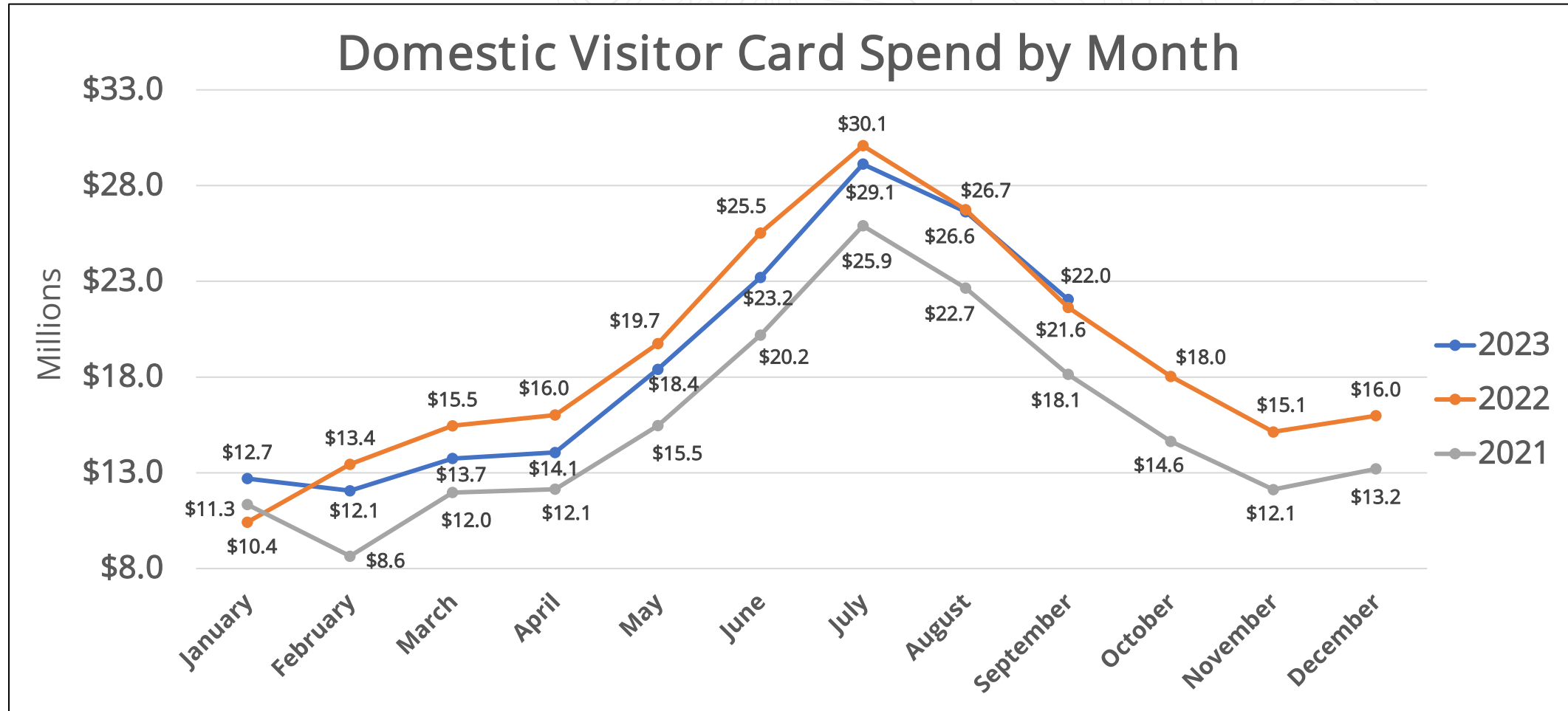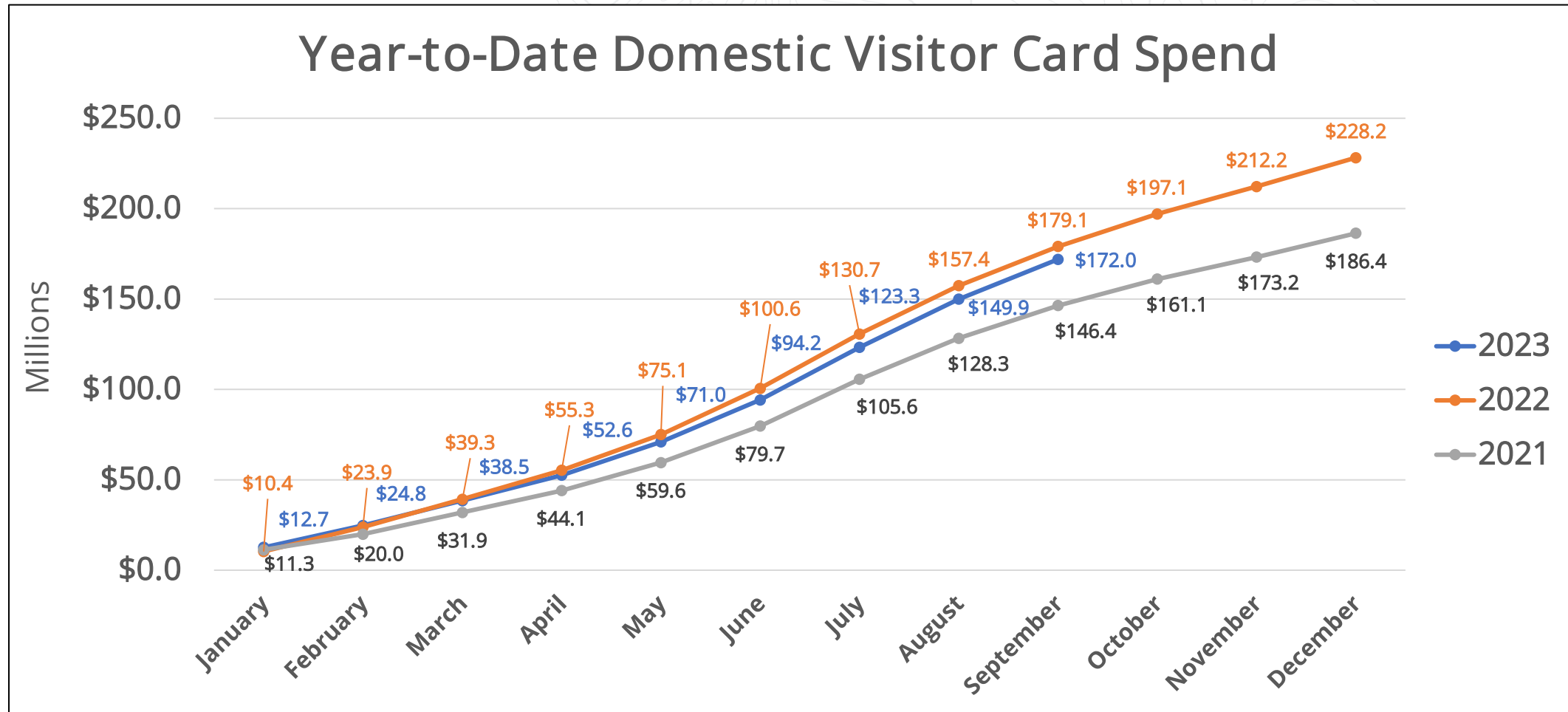
Visa – Domestic Visitor Origin

Rank	Origin Market	Spend ($)	YoY % Change	Card Count	YoY % Change
1	Missoula, MT	$5,979,076	6%	30,734	15%
2	Seattle-Tacoma-Bellevue, WA	$4,093,584	-14%	18,673	-2%
3	Los Angeles-Long Beach-Anaheim, CA	$2,809,035	2%	10,510	8%
4	Phoenix-Mesa-Chandler, AZ	$2,745,165	-1%	9,405	1%
5	Bozeman, MT	$2,432,113	4%	12,748	9%
6	Portland-Vancouver-Hillsboro, OR-WA	$2,020,917	-11%	10,481	1%
7	Helena, MT	$1,791,585	0%	10,488	4%
8	Great Falls, MT	$1,770,810	-4%	10,317	-8%
9	Spokane-Spokane Valley, WA	$1,578,883	-8%	10,068	2%
10	Billings, MT	$1,548,925	3%	7,388	4%
11	San Diego-Chula Vista-Carlsbad, CA	$1,527,598	-3%	5,321	3%
12	San Francisco-Oakland-Berkeley, CA	$1,449,948	4%	8,957	71%
13	Salt Lake City, UT	$1,390,475	-53%	29,842	-56%
14	Denver-Aurora-Lakewood, CO	$1,370,117	-11%	7,136	1%
15	Dallas-Fort Worth-Arlington, TX	$1,300,879	-4%	5,608	-2%

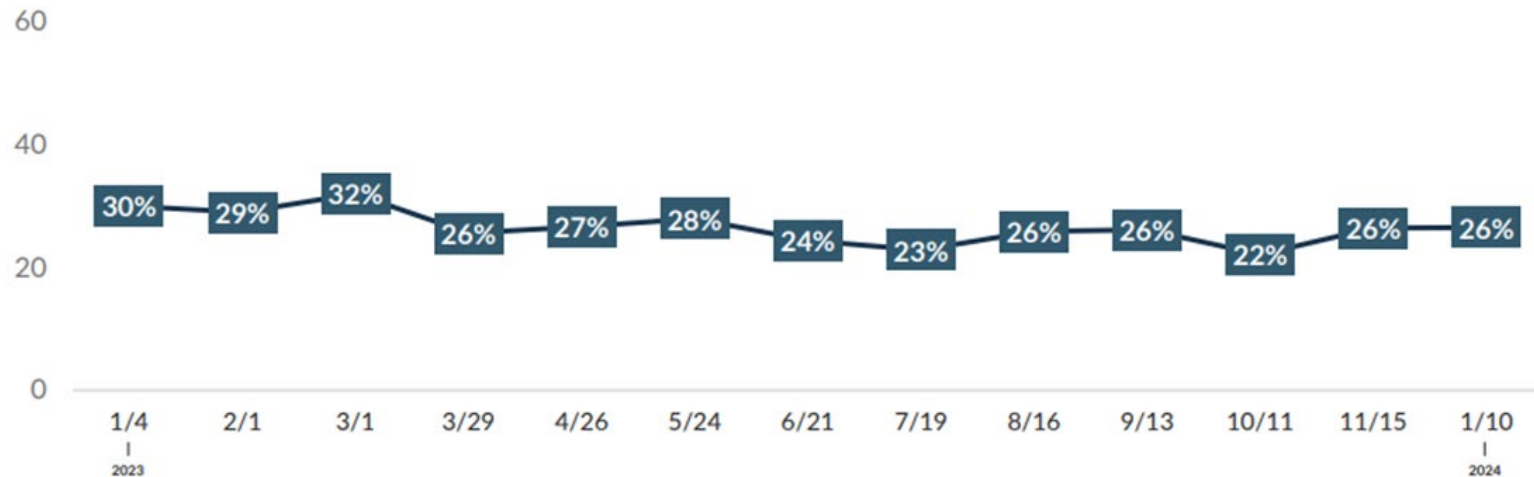*Source: Visa Destination Insights*

Consumer Sentiment Data

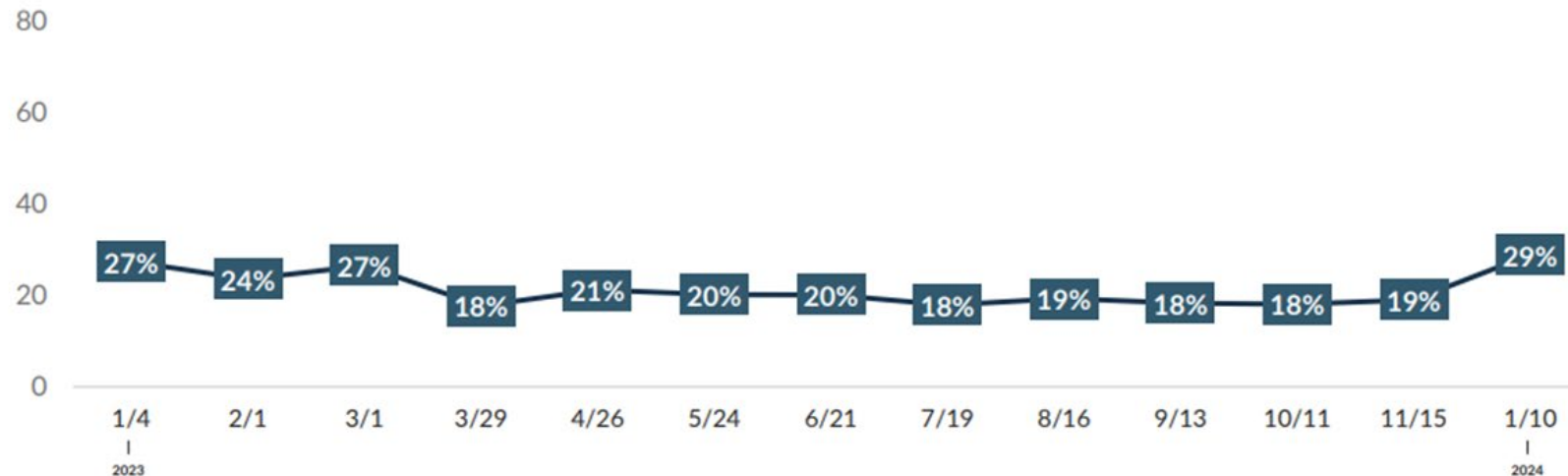Source: Longwoods International

Travel Sentiment Study Wave 81

*Survey Fielded January 10, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

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

Date	Value
1/4 2023	15%
2/1	12%
3/1	13%
3/29	12%
4/26	13%
5/24	12%
6/21	10%
7/19	11%
8/16	10%
9/13	12%
10/11	10%
11/15	13%
1/10 2024	13%

*Note: Data spanning multiple years, beginning from 1/4/2023.
Travel Sentiment Study Wave 81

Longwoods INTERNATIONAL | miles PARTNERSHIP

Source: Longwoods International

*Survey Fielded January 10, 2024; US National Sample of 1,000 adults 18+

Source: Longwoods International

*Survey Fielded January 10, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

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

Date	Value
1/4 2023	30%
2/1	29%
3/1	32%
3/29	26%
4/26	27%
5/24	28%
6/21	24%
7/19	23%
8/16	26%
9/13	26%
10/11	22%
11/15	26%
1/10 2024	26%

*Note: Data spanning multiple years, beginning from 1/4/2023.
Travel Sentiment Study Wave 81

Longwoods INTERNATIONAL | miles PARTNERSHIP

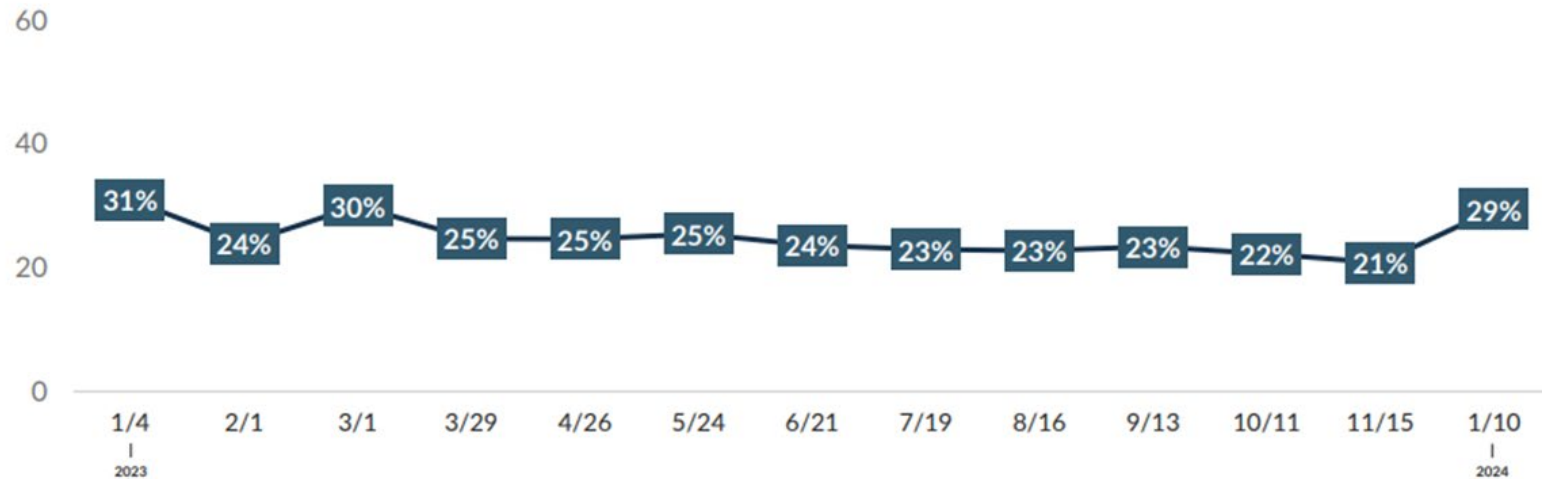*Source: Longwoods International*

*Survey Fielded January 10, 2024; US National Sample of 1,000 adults 18+

Source: Longwoods International

*Survey Fielded January 10, 2024; US National Sample of 1,000 adults 18+

Source: Longwoods International

*Survey Fielded January 10, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

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

*Note: Data spanning multiple years, beginning from 1/4/2023.
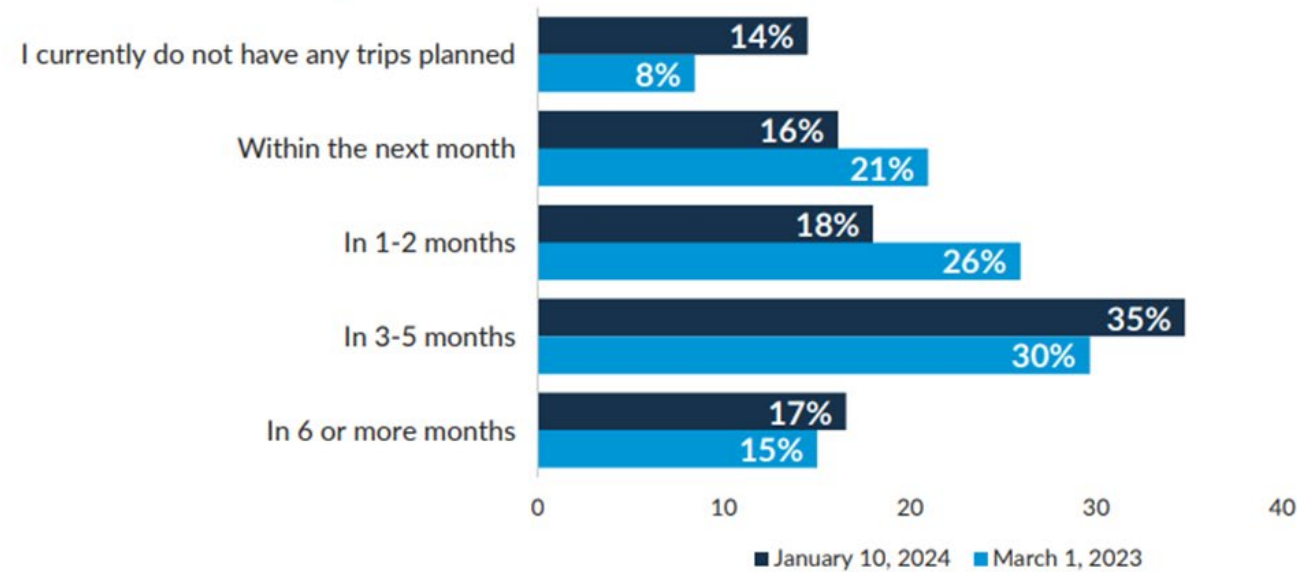Travel Sentiment Study Wave 81

Source: Longwoods International

*Survey Fielded January 10, 2024; US National Sample of 1,000 adults 18+

IMPACT ON TRAVEL PLANS

When Is Your Next Trip?

Travel Sentiment Study Wave 81

Source: Longwoods International