



# Monthly Research Update

May 2024

## Kalispell Tourism Trends

- 62,723 total passengers traveled through Glacier Park International Airport in May 2024, which was a 14.7% increase Year-over-Year (YoY).
- Kalispell hotels posted mostly positive results in May 2024 compared to May 2023.
  - Occupancy fell 2.1%, driven by a 2.0% decrease in Demand.
  - However, robust Average Daily Rate (ADR) growth (+13.7%) led to an 11.4% increase in RevPAR.
- Kalispell's short-term rental properties saw significant increases in most metrics in May 2024 compared to the same month last year.
  - Total available listings grew 38.7%, primarily driven by a rise in 1-Bedroom listings.
  - Occupancy climbed 14.6% due to a sizable increase in Demand (+48.2%).
  - And while ADR declined 3.5%, Demand growth drove Revenue 43.1% higher than in May 2023.

# U.S. Market Review

## U.S. Market Review – Macroeconomic Trends

### The Dow Jones Industrial Average

- “The Dow Jones Industrial Average (DJIA) increased in May, adding 870.4 points, or 2.3%, to finish the month at 38,686.32 points. Wall Street was a bit of a wild ride in May following the sharp declines in April, with gains on 14 trading days and losses on eight.”
- “One highlight in May was the setting of an all-time high, as the DJIA closed above 40,000 points for the first time ever on May 17th.”
- “Investors were feeling good about mid-month inflation data, which suggested the Federal Reserve Bank may start to back down on interest rates sooner than expected, but subsequent data and Fed commentary reversed that optimism quickly, and markets pulled back swiftly.”
- “But while Wall Street has looked volatile in the last 60 days, financial markets remain strong, and investors are seeing good growth in retirement and savings accounts, with the DJIA currently up a walloping 17.6% compared to this time last year.”

## U.S. Market Review – Macroeconomic Trends (continued)

### The Consumer Confidence and Consumer Sentiment Index

- “The Consumer Confidence Index (CCI) and the Consumer Sentiment Index (CSI) went in separate directions in May, with the CCI gaining and CSI declining. The Conference Board’s CCI increased 4.6%, or 4.5 points, from 97.5 in April to 102.0 points in May.”
- “It’s the first gain in the index since January, as lingering inflation has kept consumers concerned.”
- “Despite the gain, the CCI is still hovering within a very narrow band that it’s occupied for most of the past two years and is slightly down from its two-year average of 104.2.”
- “The University of Michigan’s CSI declined in May, losing a notable 8.1 points to settle at 69.1 points. This is the lowest the CSI has been since November last year and reflects concern about labor markets – specifically that unemployment rates are expected to go up and income growth to slow.”
- “Ironically, that’s actually very close to what the Fed is hoping to accomplish with higher interest rates, and this is a great example of the balancing act the Fed must juggle to ensure confidence and sentiment don’t falter too much while they work to control inflation.”

## U.S. Market Review – Macroeconomic Trends (continued)

### The National Unemployment Rate

- “The National Unemployment Rate nudged upwards for the second consecutive month, climbing from 3.9 to 4.0 percent in May, its highest level since January 2022, as employers added a surprising 272,000 jobs to the marketplace.”
- “Somewhat alarmingly job creation far exceeded the consensus forecast of 180,000 and was considerably higher than the 232,000 average for the year.”
- “This suggests that the job market is still too hot for the Fed to start easing interest rates any time soon.”
- “But perhaps most alarming for the Fed is wages, which rose 4.1% from last year. And while that’s a good sign for consumers, it means the economy has room to keep prices higher, prolonging consumer pain at the register.”
- “On a more industry-specific note, the Leisure and Hospitality sector added a very strong 42,000 jobs last month, surpassing the 12-month average of 35,000, and 17,000 of those jobs were in the Accommodations sub-sector, helping lodging suppliers edge towards practical occupancy.”
- “Overall, this is a mixed report for the travel industry, with higher wages and strong job growth good for cash flow, but likely forcing the Fed to further delay interest rate cuts, which suppresses spending on credit.”

## U.S. Market Review – Macroeconomic Trends (continued)

### The National Inflation Rate

- “The National Inflation Rate declined for the second consecutive month in May. In what is perhaps the most consequential CPI report this year, inflation dropped from 3.4% in April to 3.3% in May.”
- “And in the category of ‘better still’, prices were unchanged in May from April, the first time prices have remained stable since October 2023.”
- “Core inflation, which strips out volatile food and fuel prices, was also down, at 3.4% from 3.6% in April.”
- “And while inflation was down, wages increased in May to 4.1% when measured annually, the 13th month that wages have increased faster than inflation and easing consumer angst.”
- “The combination of these macro conditions (lower inflation and higher wages) and lower year-over-year room rates are strong catalysts for this month’s excellent lodging booking pace and demand pickup.”

## Travel Demand Update

- “Air passenger traffic through U.S. airports continues to set new records with 360 million people passing through TSA checkpoints from January through May.”
  - “U.S. air passenger traffic reached 107% of 2019 levels in May 2024.”
- “Overseas arrivals to the U.S. reached 85% of 2019 levels in April 2024 year-to-date, led by recovery in Central America.
- Meanwhile, many Americans are traveling abroad. Year-to-date outbound trips were up 11% from last year and 20% from 2019.”
- “U.S. hotel occupancy reached a 2024 peak in early May, as reported by STR, and RevPAR is showing modest improvements—up 2.8% year-over-year as of May 18.”
  - “STR hotel demand also displayed 1.8% growth year-over-year for the first time in 11 months (since May 2023).”
  - “However, shifts in Easter timing can distort year-over-year comparisons. For this reason, March and April are often combined when comparing prior years. Combined demand for March and April was flat versus the same two months in 2023.”



## Travel Demand Update (continued)

- The outlook for the summer travel season is mostly positive, reinforced by the latest traveler sentiment findings:
  - “The intent to travel rose across most income categories in the first quarter of 2024 according to MMGY, with weakened travel intentions among those making less than \$50,000 a year.”
  - “Longwoods International found that 93% of travelers plan to take a trip in the next six months, an improvement over the prior month.”
  - “The share of consumers viewing leisure travel as a near-term spending priority has increased since the beginning of the year, reaching 59% in April, according to the latest Future Partners survey.”

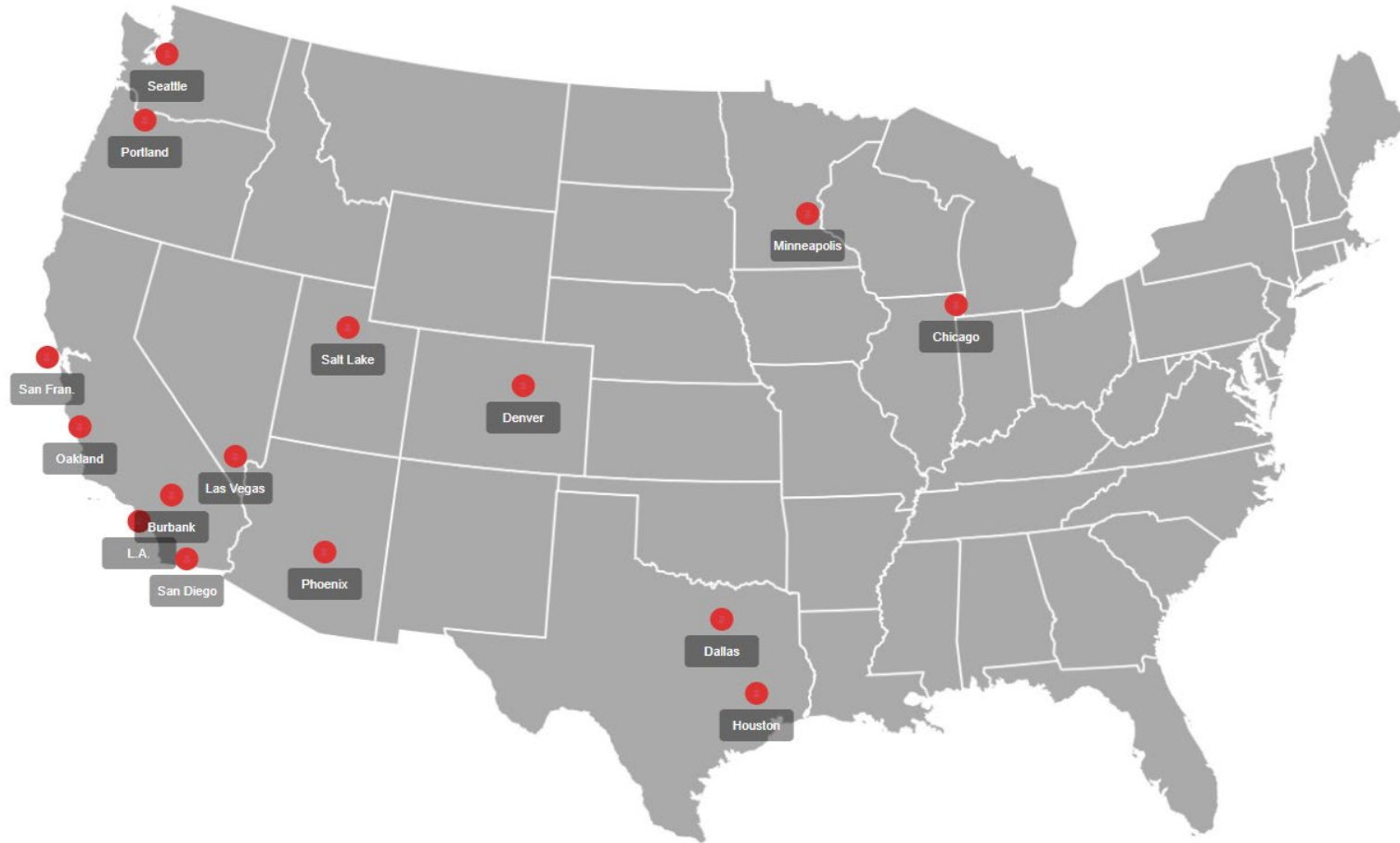
## Takeaways from CBRE's U.S. Hotels Investment Performance Forecast

- “On a trailing twelve months (TTM) basis, U.S. hotels experienced a 1.8% year-over-year decline in Net Operating Income (NOI) for the quarter ended March 2024.”
- “The declines were driven by a 150-bps contraction in margins year-over-year as the 2.7% growth in hotel revenue has failed to keep up with rising labor, food & beverage, property taxes, and insurance costs.”
- “Full year 2024 hotel NOI growth is expected to be just +0.7%, given our modest 2% RevPAR forecast and continued cost pressures.”
- “Cap rates expanded 8-bps on a TTM basis in Q1 2024 vs Q4 2023, and +28-bps vs. Q1 2023.”
- “CBRE forecasts continued hotel cap rate expansion in 2024, with cap rates not peaking until Q1 2025 due to delays in Federal Reserve interest rate cuts.”

# Glacier Park International Airport Data

# Glacier Park International Airport

— Direct Flights —  
MAJOR CITIES SERVED

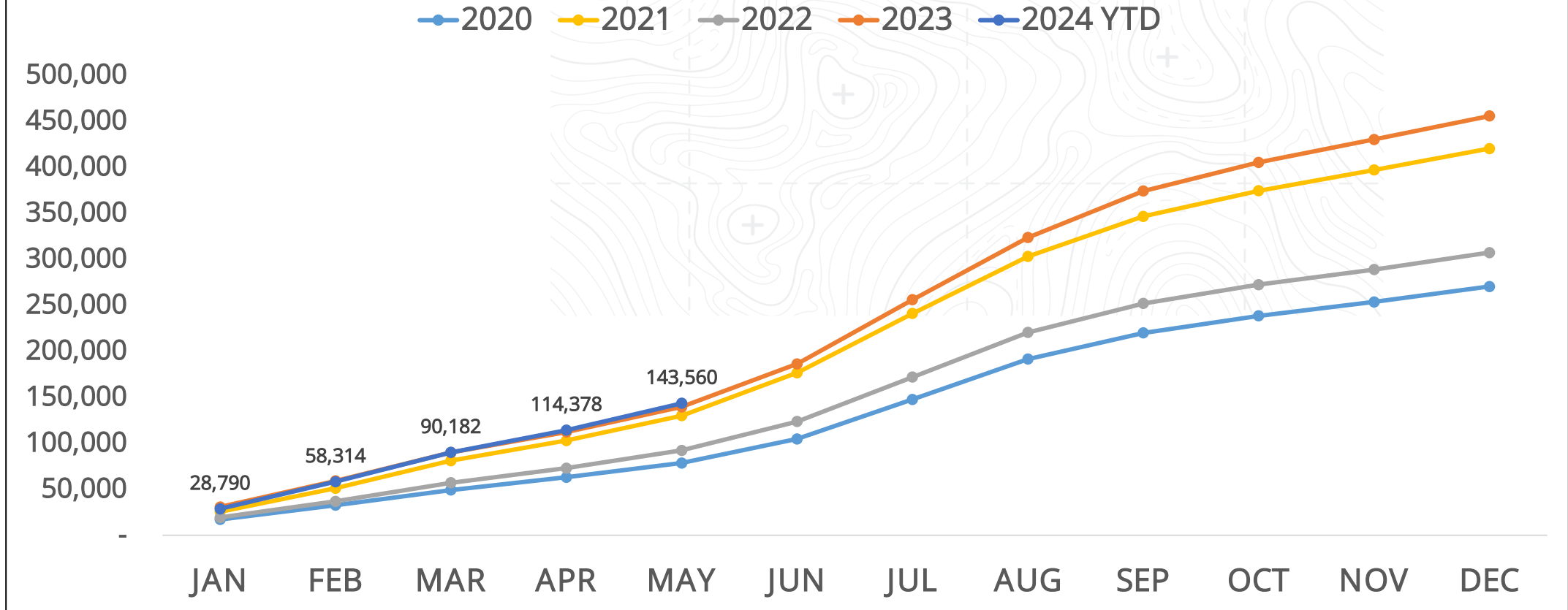


# Glacier Park International Airport

Total Passengers					
Month	2024	2023	% Change 2024 vs. 2023	2022	% Change 2024 vs. 2022
January	54,403	58,161	-6.5%	49,261	10.4%
February	59,344	56,277	5.4%	50,555	17.4%
March	63,846	59,460	7.4%	58,672	8.8%
April	48,426	45,073	7.4%	43,836	10.5%
May	62,723	54,694	14.7%	56,807	10.4%
June		96,564		97,429	
July		138,012		128,144	
August		129,078		119,508	
September		96,891		82,965	
October		59,071		53,031	
November		48,460		44,681	
December		54,257		47,629	
<b>Year-to-Date</b>	<b>288,742</b>	<b>273,665</b>	<b>5.5%</b>	<b>259,131</b>	<b>11.4%</b>
<b>Total</b>		<b>895,998</b>		<b>832,518</b>	

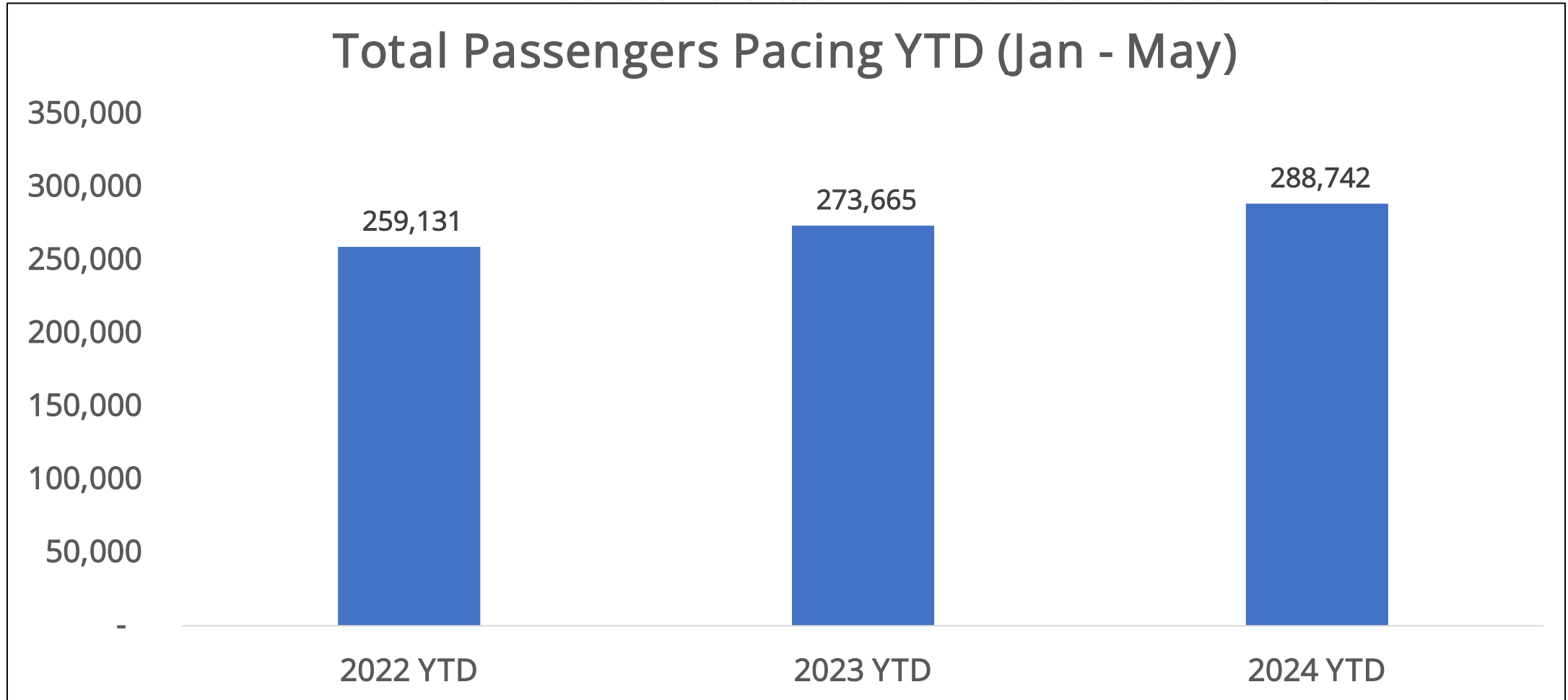
# Glacier Park International Airport

## CUMULATIVE ANNUAL ENPLANEMENTS\*

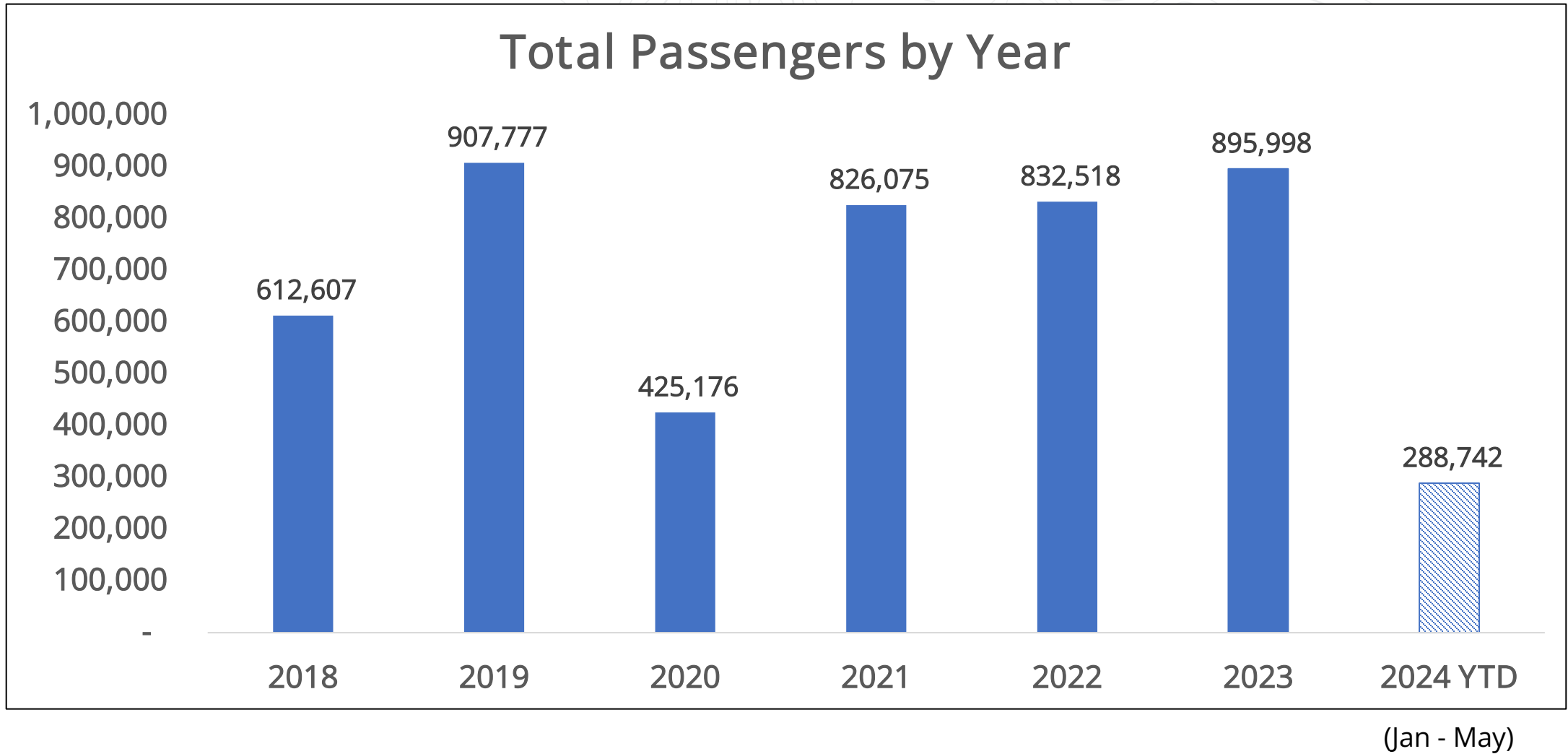


\* Enplanements only (not total passengers)

# Glacier Park International Airport



# Glacier Park International Airport



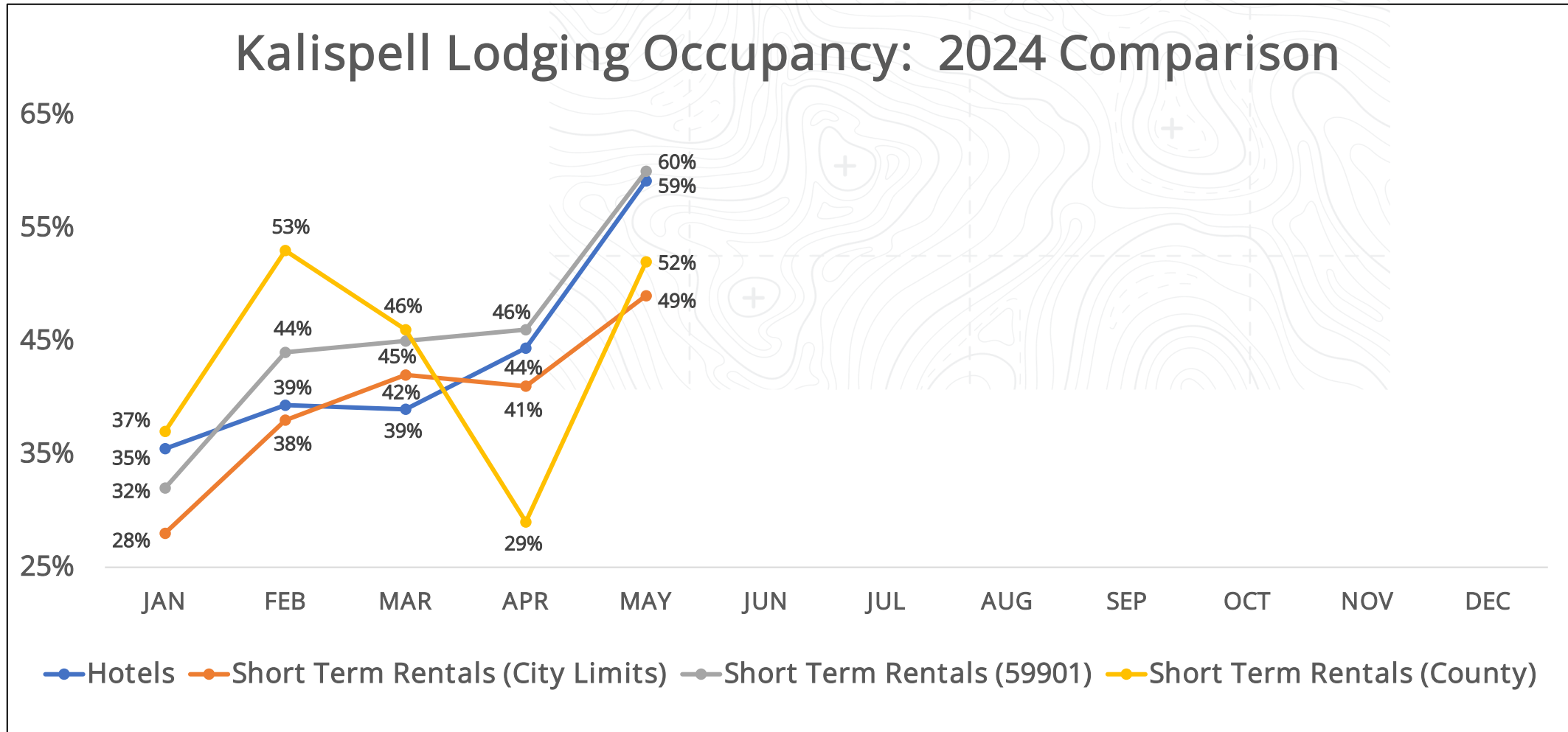


# STR Hotel Data

# 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.
  - $ADR = \text{Room Revenue} / \text{Rooms Sold}$
- **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.
  - $Occupancy = \text{Rooms Sold} / \text{Rooms Available}$
- **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.
  - $RevPAR = \text{Room Revenue} / \text{Rooms Available}$

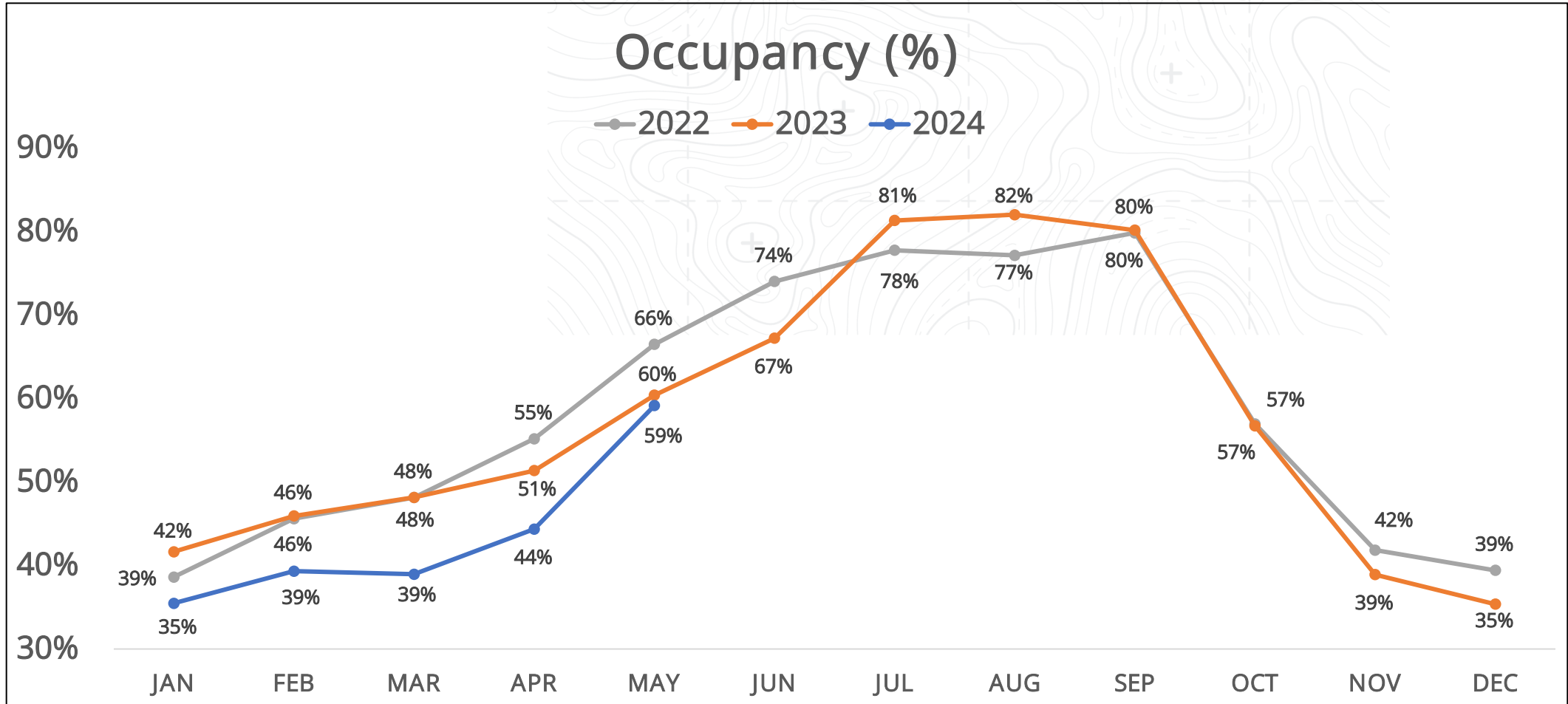
# Kalispell 2024 Lodging Comparison





# Hotel Occupancy by Month

Kalispell hotel Occupancy decreased 2.1%, ADR increased 13.7%, and RevPAR increased 11.4% Year-Over-Year

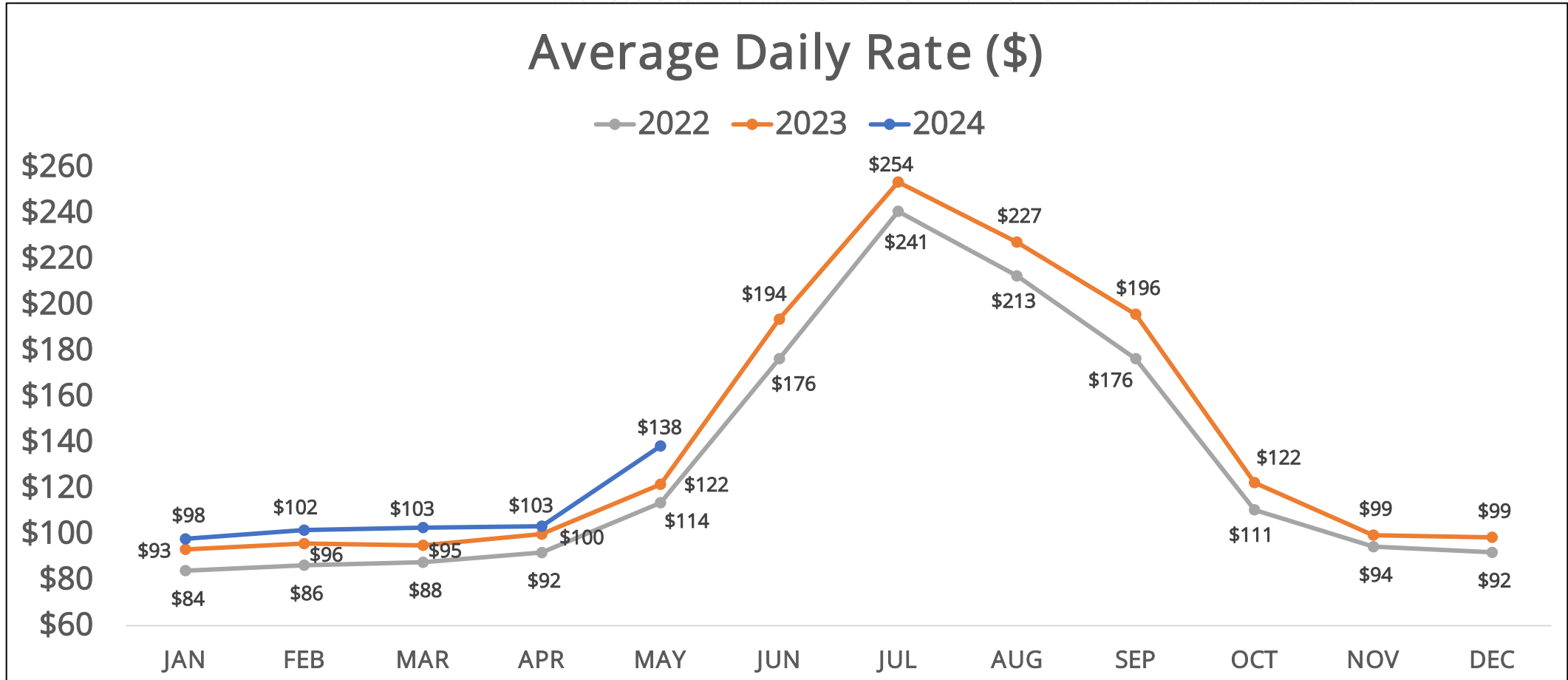


2022 Occupancy = 58%      2023 Occupancy = 58%



# Hotel Average Daily Rate (ADR) by Month

Kalispell hotel Occupancy decreased 2.1%, ADR increased 13.7%, and RevPAR increased 11.4% Year-Over-Year



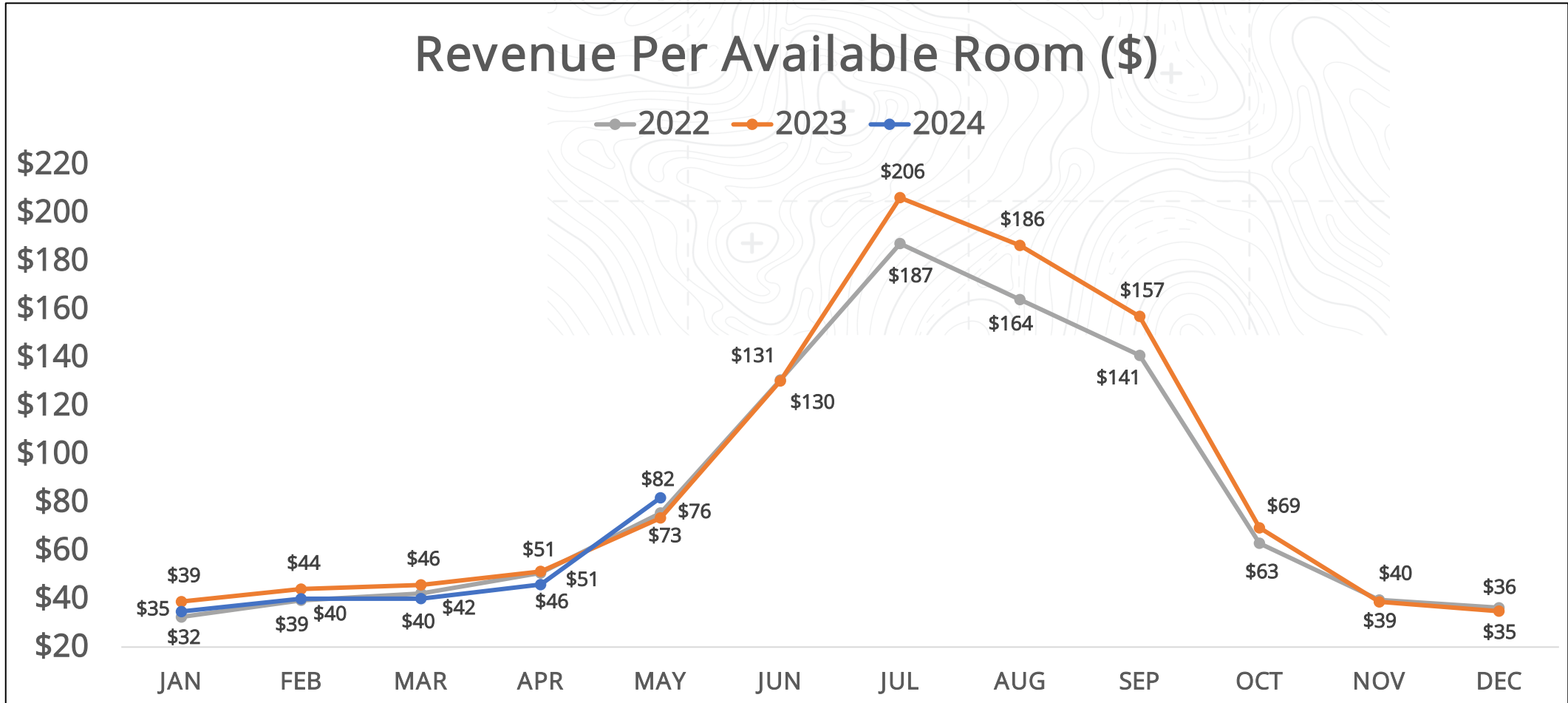
2022 ADR = \$142

2023 ADR = \$157



# Hotel Revenue Per Available Room by Month

Kalispell hotel Occupancy decreased 2.1%, ADR increased 13.7%, and RevPAR increased 11.4% Year-Over-Year

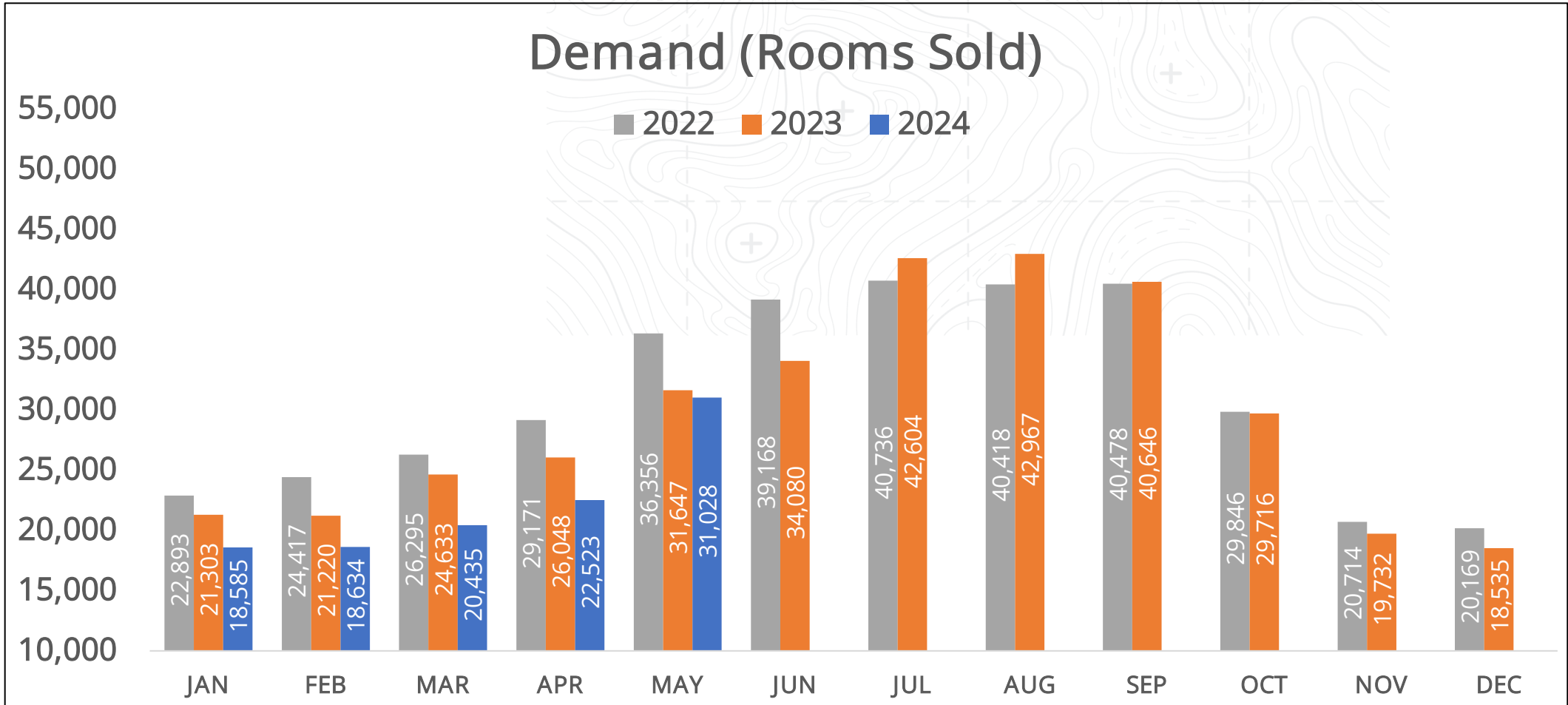


2022 RevPAR = \$82      2023 RevPAR = \$91



# Hotel Demand (Rooms Sold) by Month

Kalispell hotel Demand decreased 2.0%, Supply increased 0.1%, and Total Revenue increased 11.5% Year-Over-Year

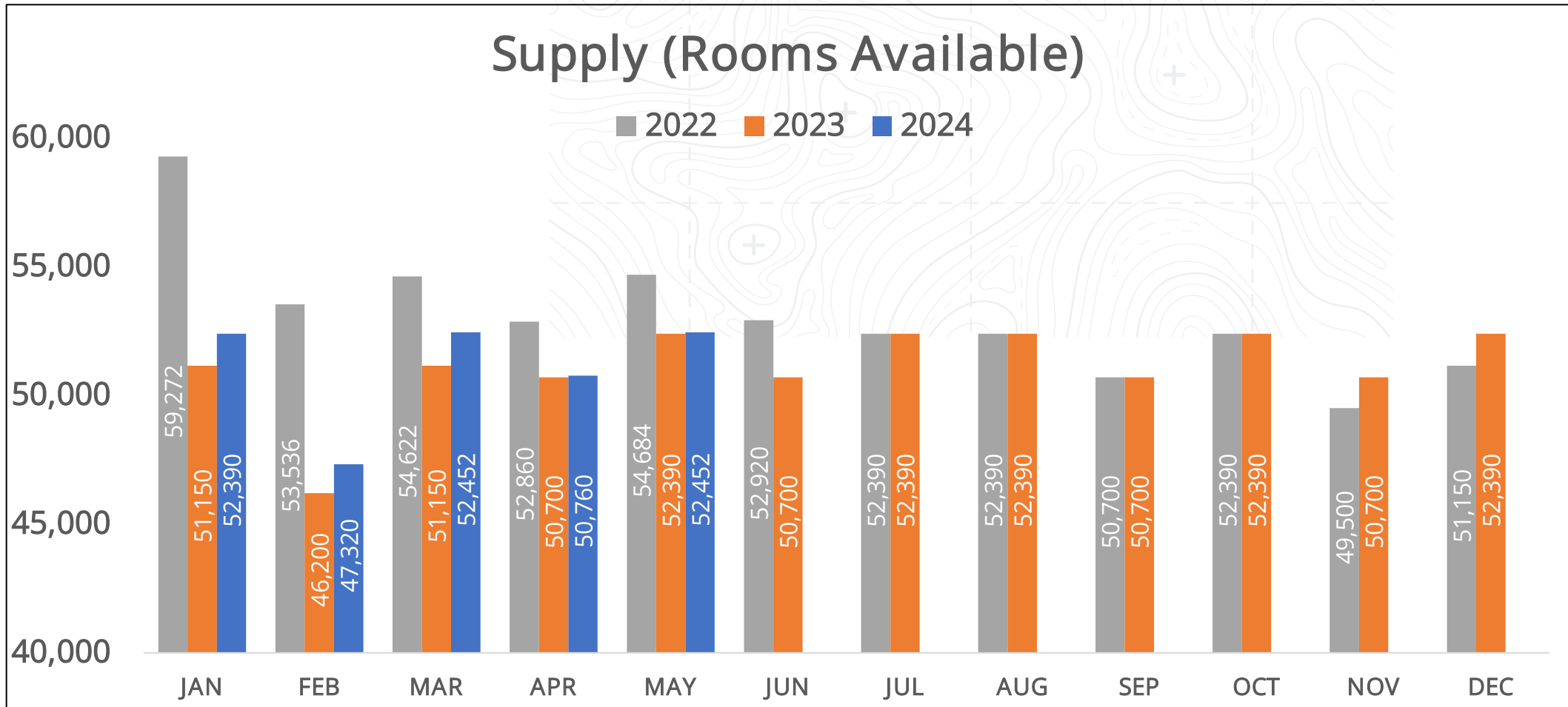


2022 Demand = 370,661      2023 Demand = 354,155



# Hotel Supply by Month

Kalispell hotel Demand decreased 2.0%, Supply increased 0.1%, and Total Revenue increased 11.5% Year-Over-Year



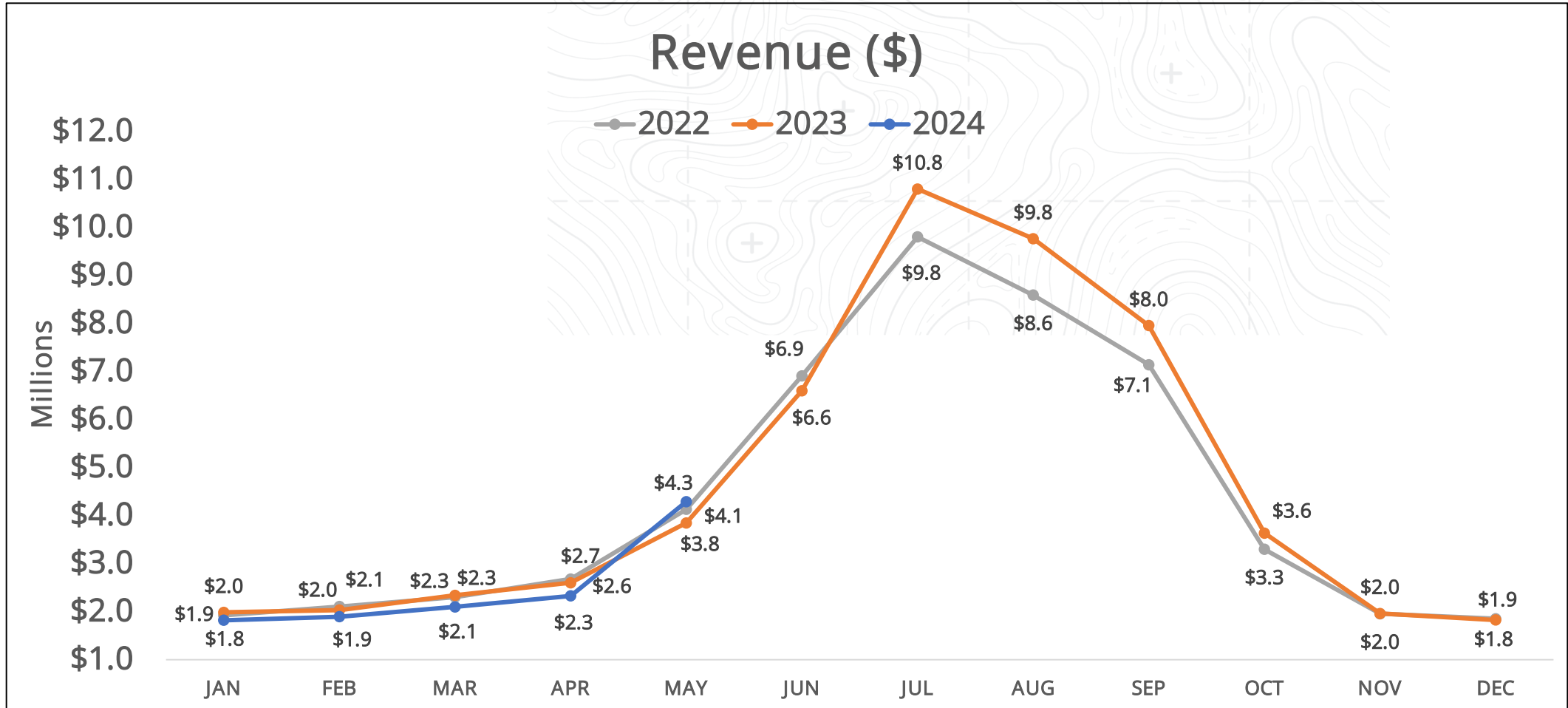
2022 Supply = 636,414      2023 Supply = 613,250





# Hotel Revenue by Month

Kalispell hotel Demand decreased 2.0%, Supply increased 0.1%, and Total Revenue increased 11.5% Year-Over-Year



2022 Revenue = \$52.7M      2023 Revenue = \$55.7M

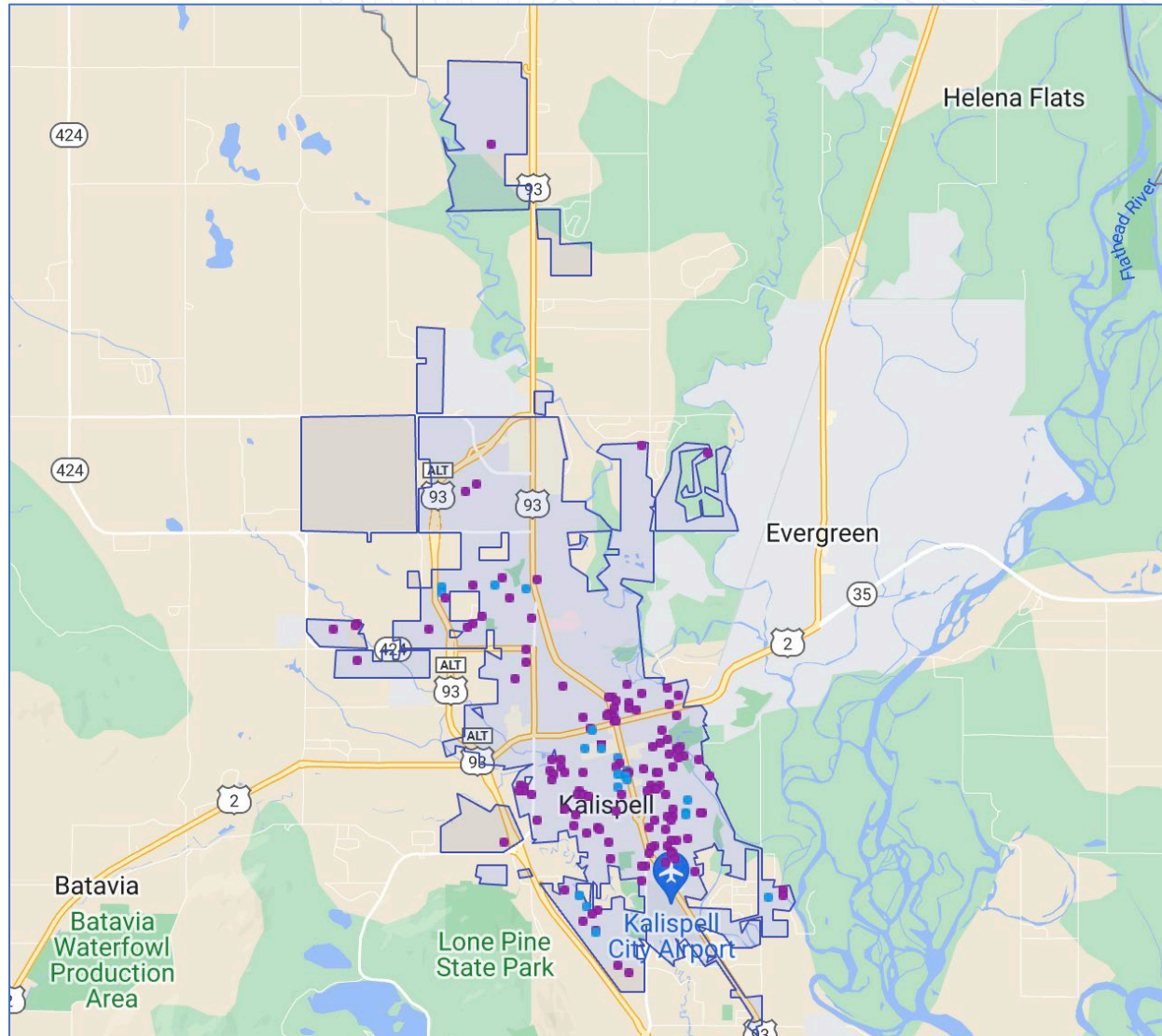
# AirDNA Short Term Rental Data (Airbnb & Vrbo listings)

# 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

# AirDNA Short Term Rentals – Geographical Boundary \*

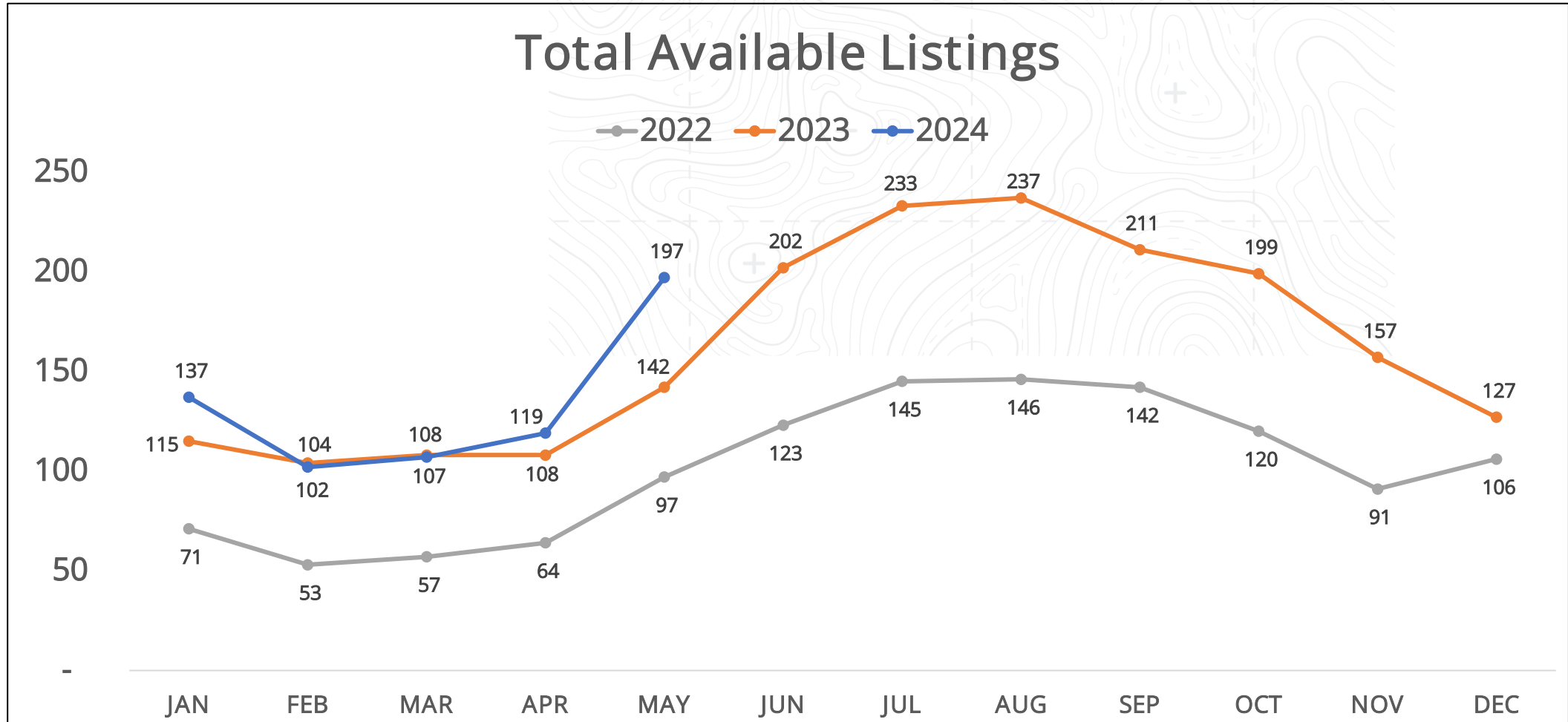


\*Kalispell City Limits



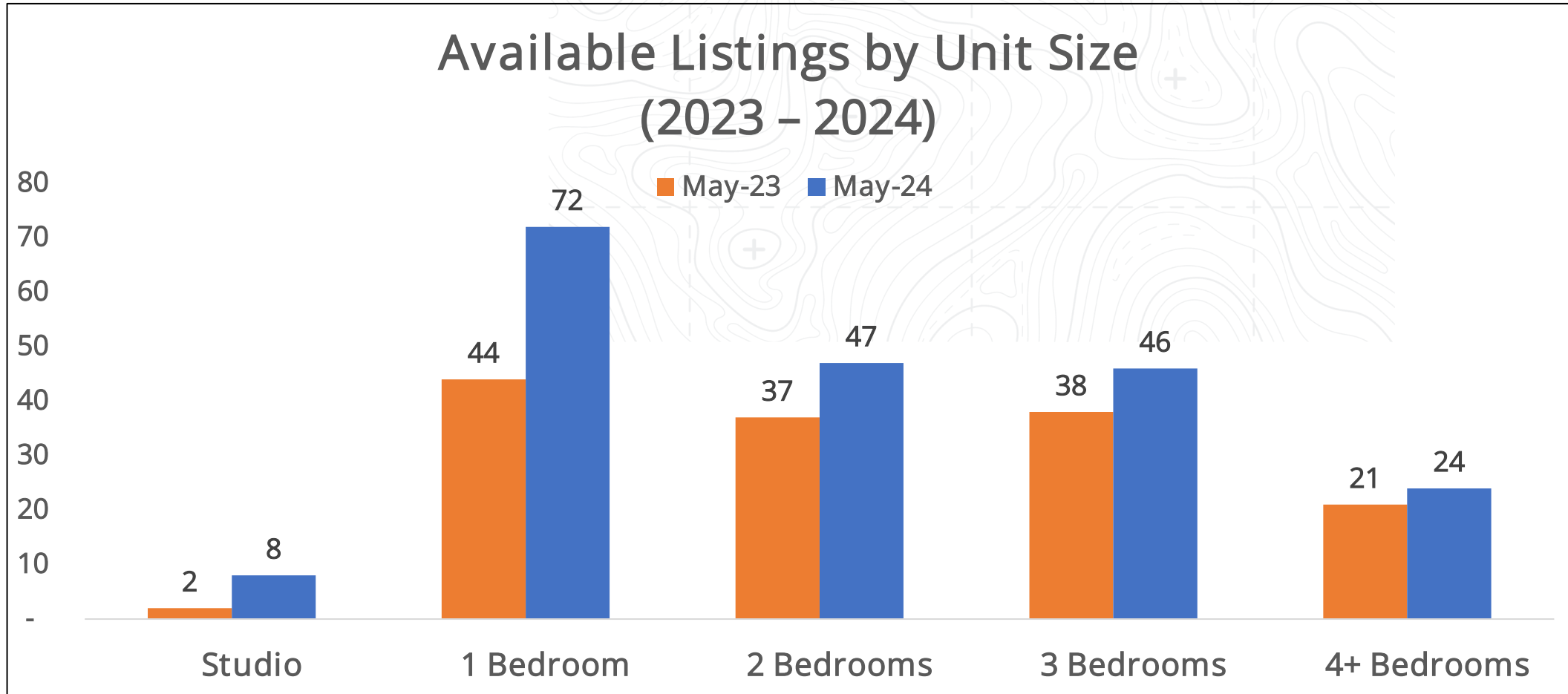
# AirDNA Short Term Rentals - Available Listings

Kalispell Short Term Rental Available Listings increased 38.7% Year-Over-Year



# AirDNA Short Term Rentals - Unit Size

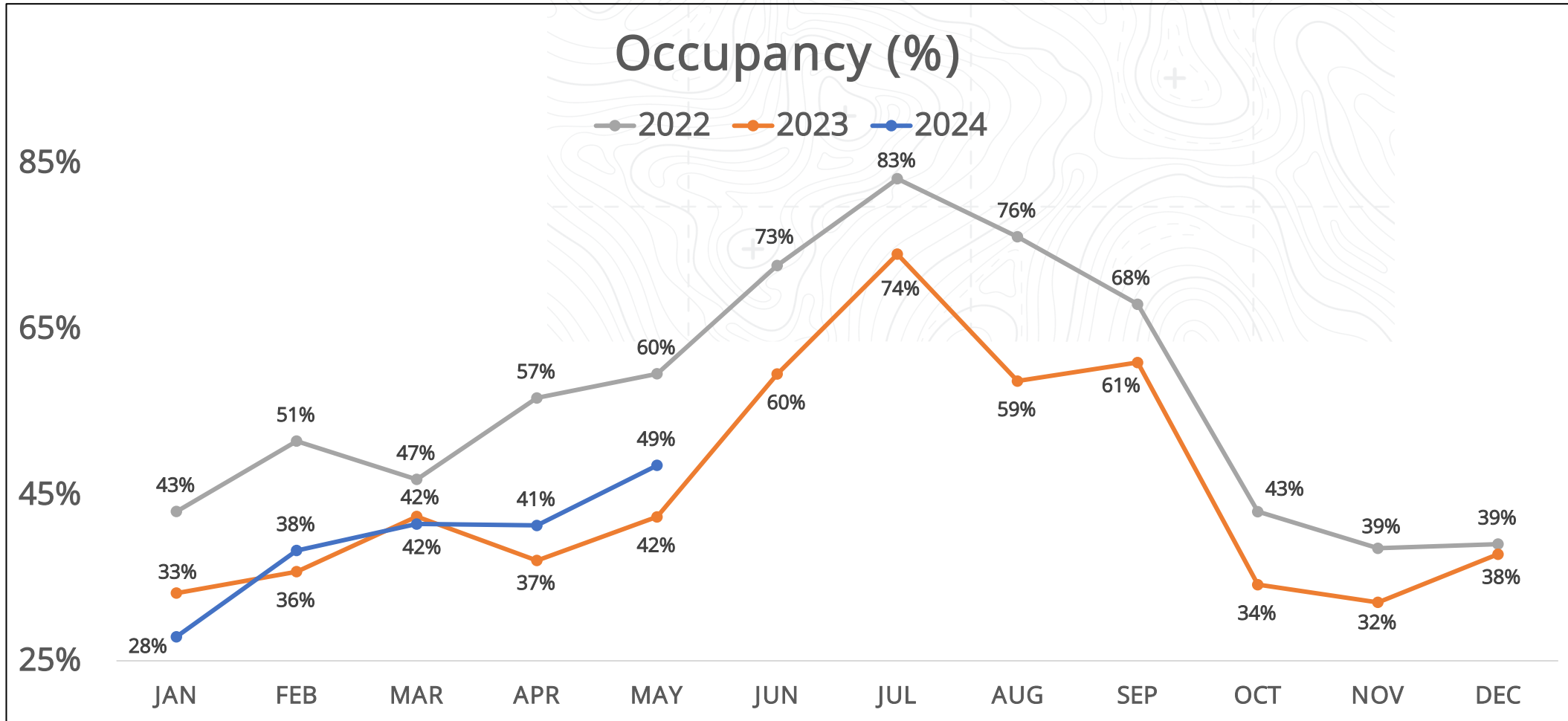
Kalispell Short Term Rental 1-Bedroom Listings increased 63.6%, 2-Bedroom Listings increased 27.0%, and 3-Bedroom Listings increased 21.1% Year-Over-Year





# AirDNA Short Term Rentals – Occupancy

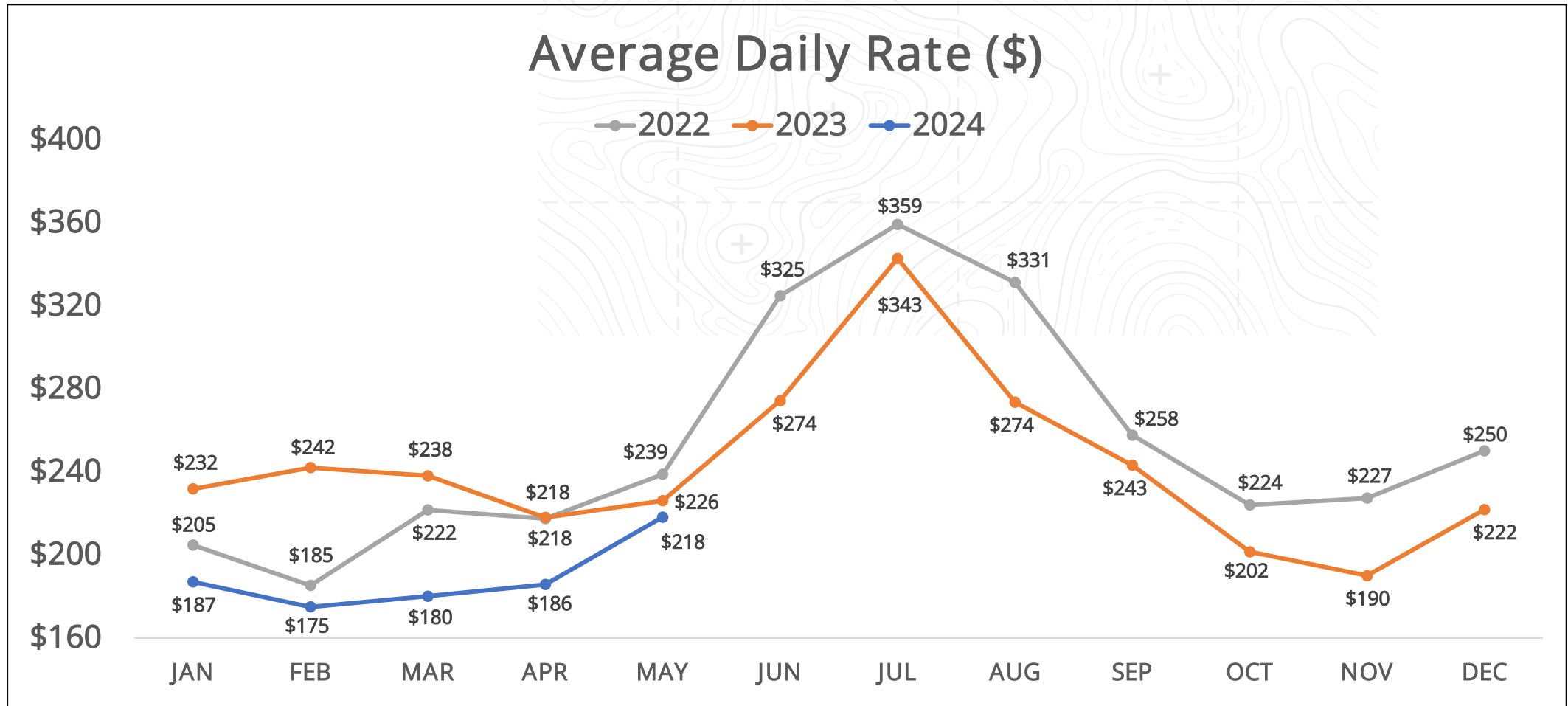
Kalispell Short Term Rental Occupancy increased 14.6%, ADR decreased 3.5%, and RevPAR increased 10.7% Year-Over-Year





# AirDNA Short Term Rentals - ADR

Kalispell Short Term Rental Occupancy increased 14.6%, ADR decreased 3.5%, and RevPAR increased 10.7% Year-Over-Year

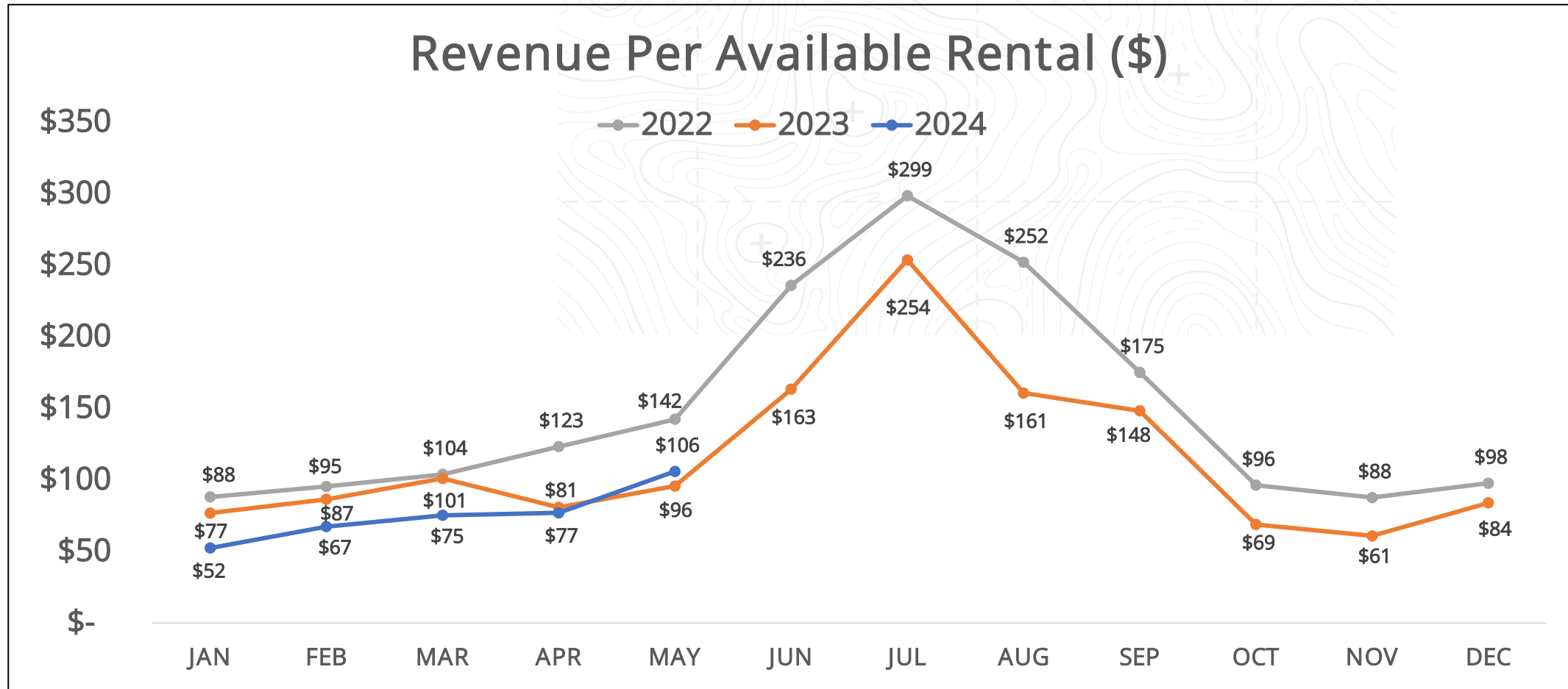






# AirDNA Short Term Rentals - RevPAR

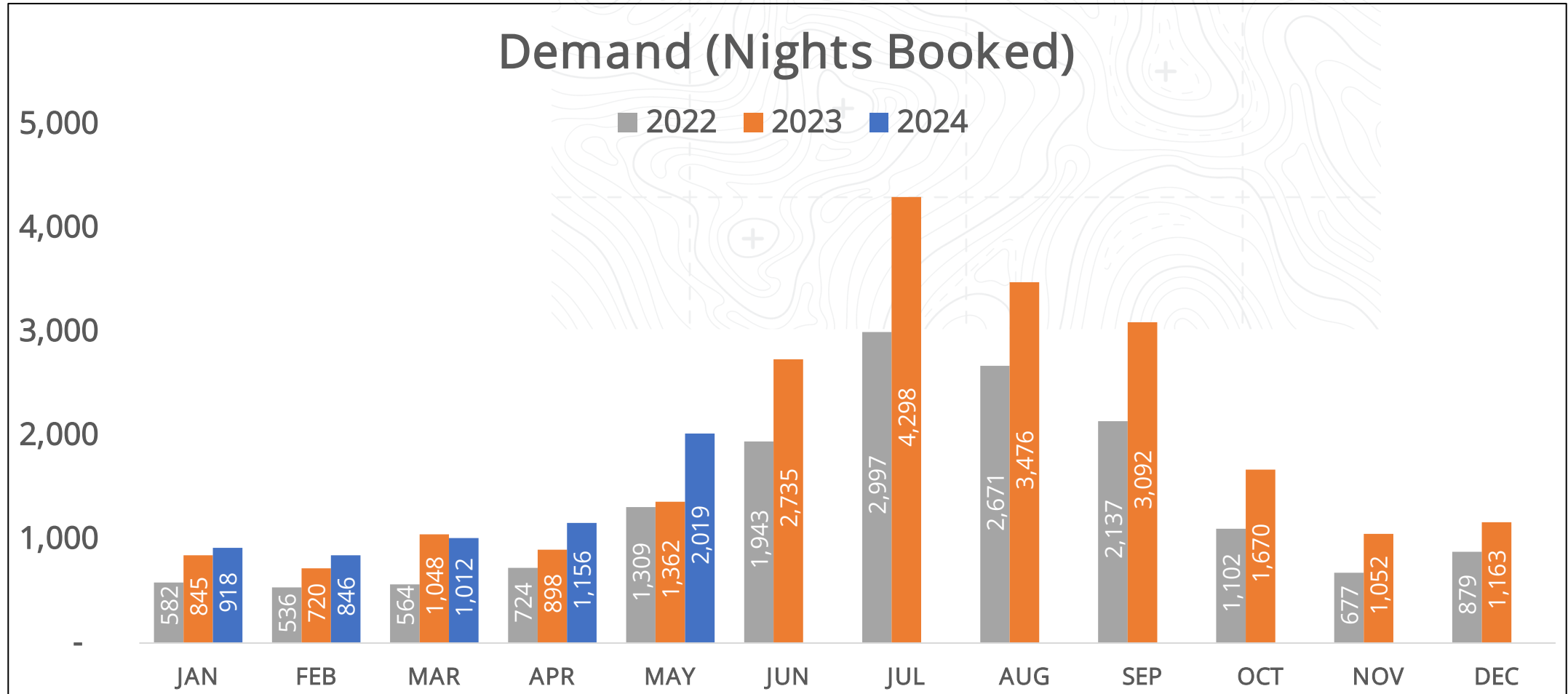
Kalispell Short Term Rental Occupancy increased 14.6%, ADR decreased 3.5%, and RevPAR increased 10.7% Year-Over-Year





# AirDNA Short Term Rentals – Demand

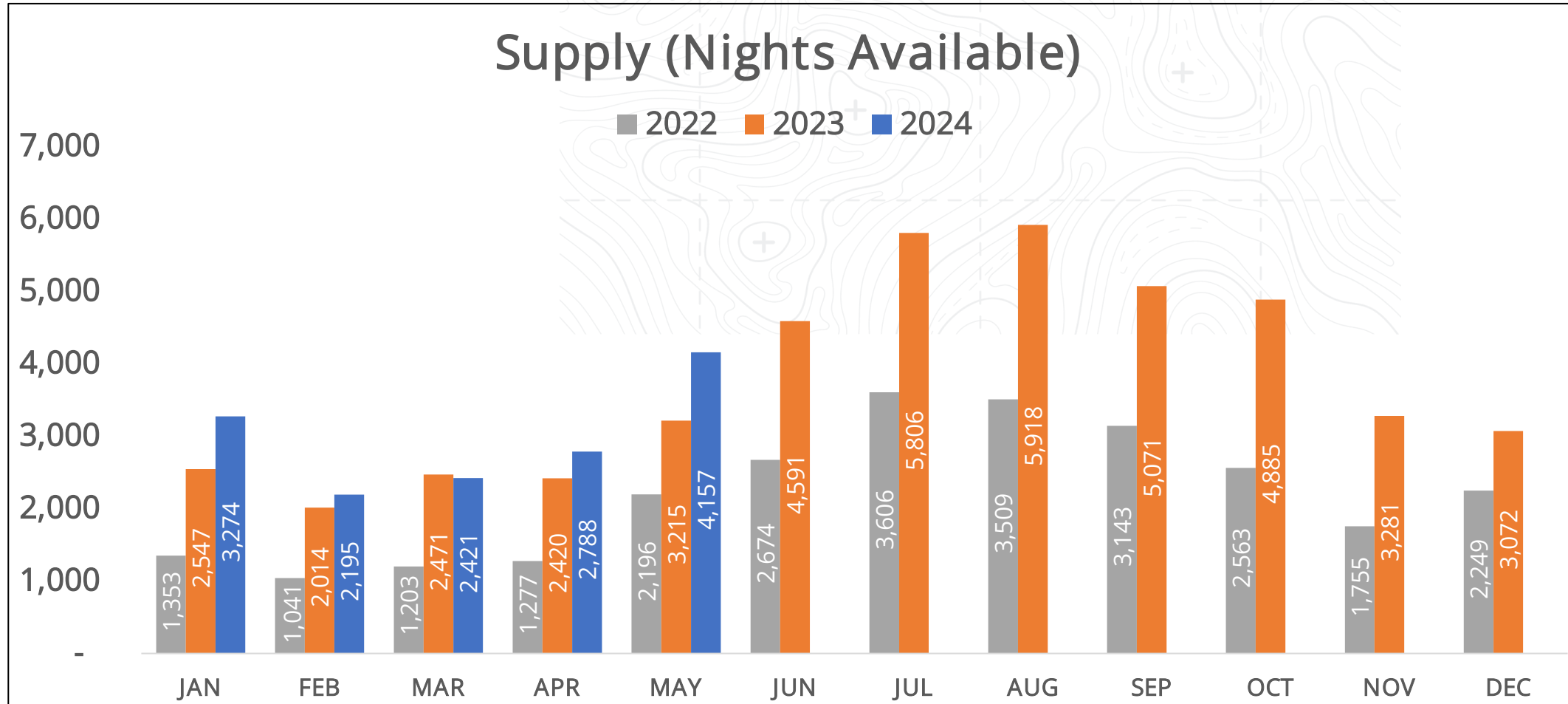
Kalispell Short Term Rental Demand increased 48.2%, Supply increased 29.3%, and Total Revenue increased 43.1% Year-Over-Year





# AirDNA Short Term Rentals – Supply

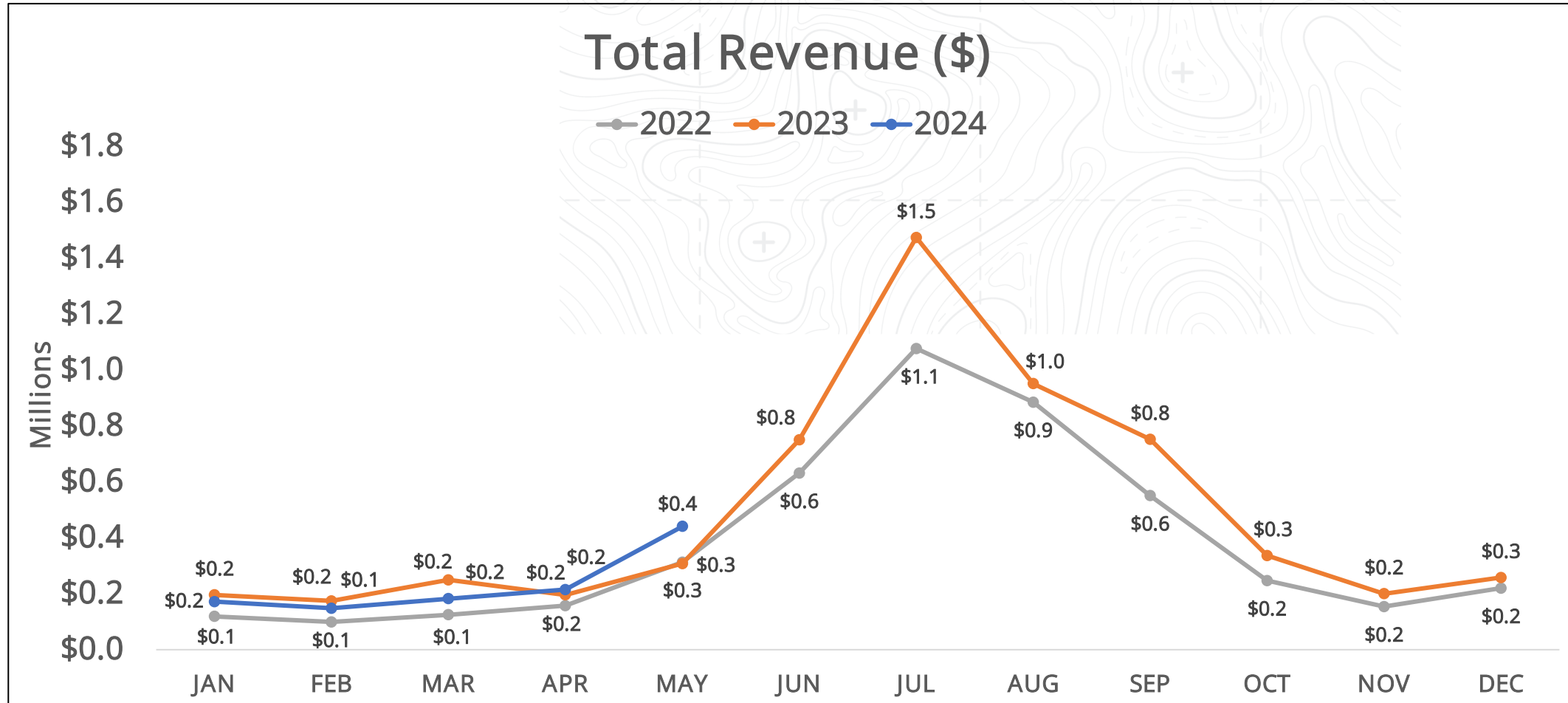
Kalispell Short Term Rental Demand increased 48.2%, Supply increased 29.3%, and Total Revenue increased 43.1% Year-Over-Year





# AirDNA Short Term Rentals – Total Revenue

Kalispell Short Term Rental Demand increased 48.2%, Supply increased 29.3%, and Total Revenue increased 43.1% Year-Over-Year

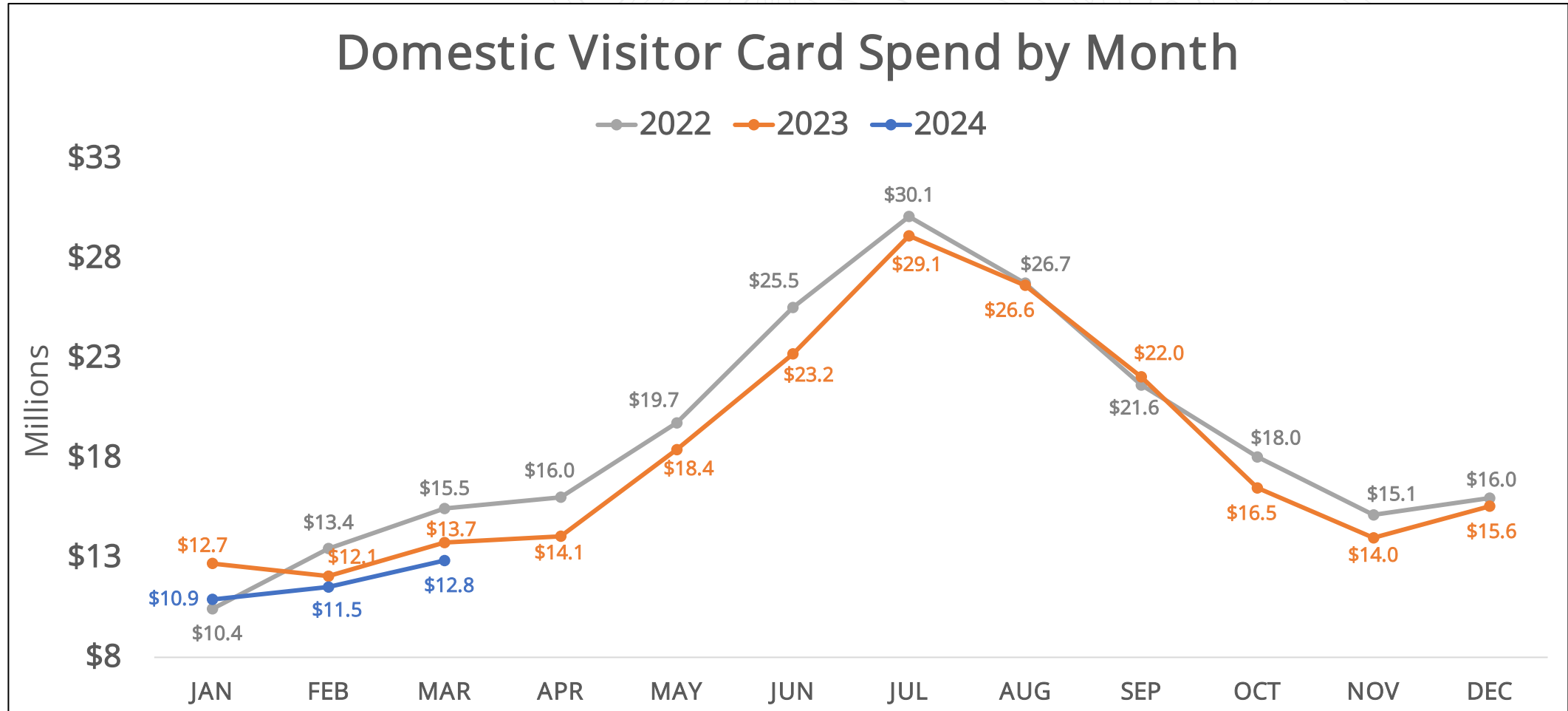


# Visa Destination Insights



# Visa – Domestic Visitor Spending

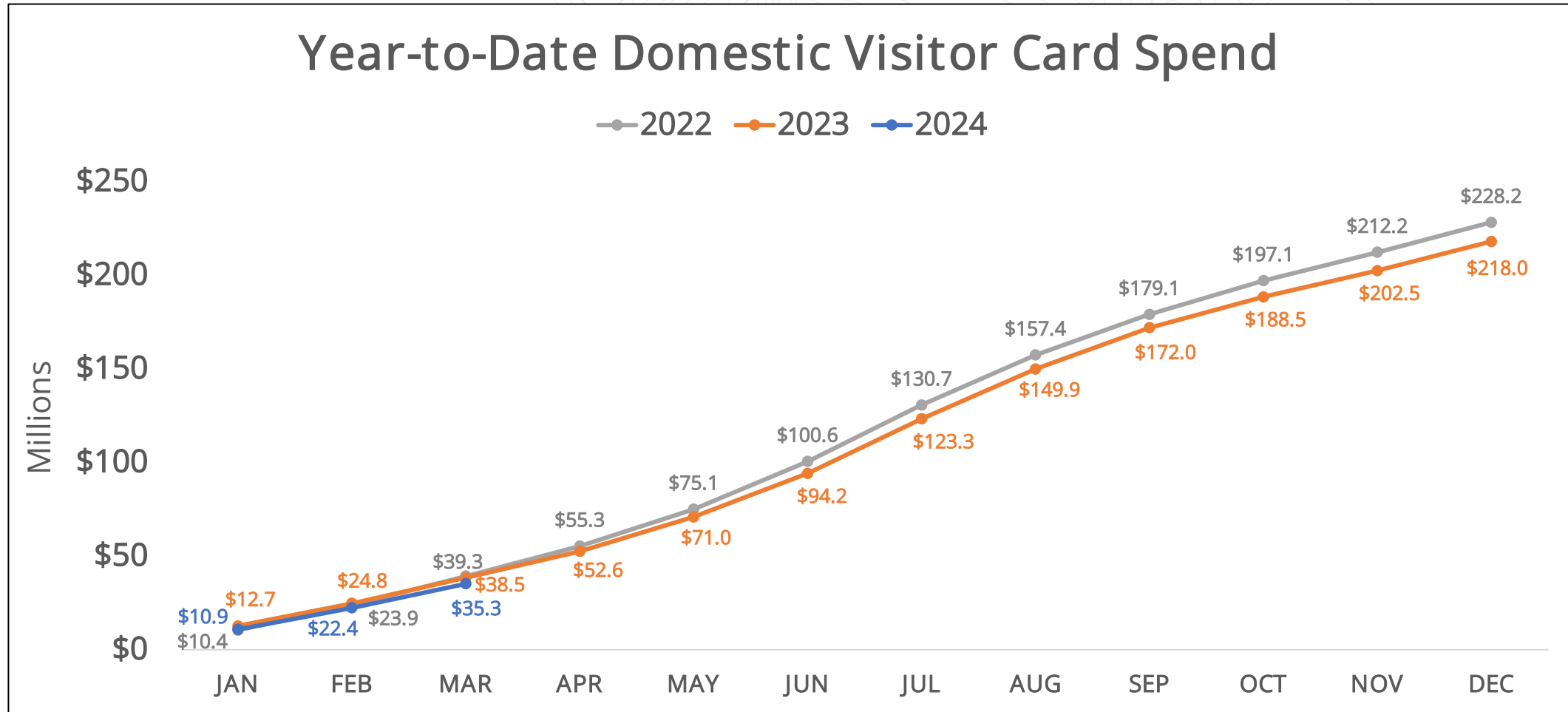
Kalispell Domestic Visitor Visa Card Spend decreased 6.6% and Year-to-Date Spend decreased 8.4% Year-Over-Year





# Visa – Domestic Visitor Spending

Kalispell Domestic Visitor Visa Card Spend decreased 6.6% and Year-to-Date Spend decreased 8.4% Year-Over-Year



# Visa – Domestic Visitor Origin (January – March 2024)

Rank	Origin Market	Spend (\$)	YoY % Change	Card Count	YoY % Change
1	Missoula, MT	\$1,571,711	16%	14,268	49%
2	Seattle-Tacoma-Bellevue, WA	\$626,781	-16%	3,090	-2%
3	Bozeman, MT	\$400,911	-4%	2,714	-14%
4	Great Falls, MT	\$377,929	-4%	2,545	-15%
5	Helena, MT	\$371,568	-8%	2,989	-5%
6	Los Angeles-Long Beach-Anaheim, CA	\$353,151	-5%	1,547	-8%
7	Portland-Vancouver-Hillsboro, OR-WA	\$286,077	-23%	1,618	-16%
8	Phoenix-Mesa-Chandler, AZ	\$285,985	12%	1,559	26%
9	Billings, MT	\$275,575	6%	1,462	0%
10	Spokane-Spokane Valley, WA	\$266,351	-11%	2,108	-7%
11	San Diego-Chula Vista-Carlsbad, CA	\$203,264	-9%	825	-3%
12	Minneapolis-St. Paul-Bloomington, MN-WI	\$196,983	-1%	1,085	-12%
13	Coeur d'Alene, ID	\$187,683	-19%	1,335	-14%
14	Las Vegas-Henderson-Paradise, NV	\$164,255	-7%	693	-13%
15	Denver-Aurora-Lakewood, CO	\$163,243	-5%	1,111	8%



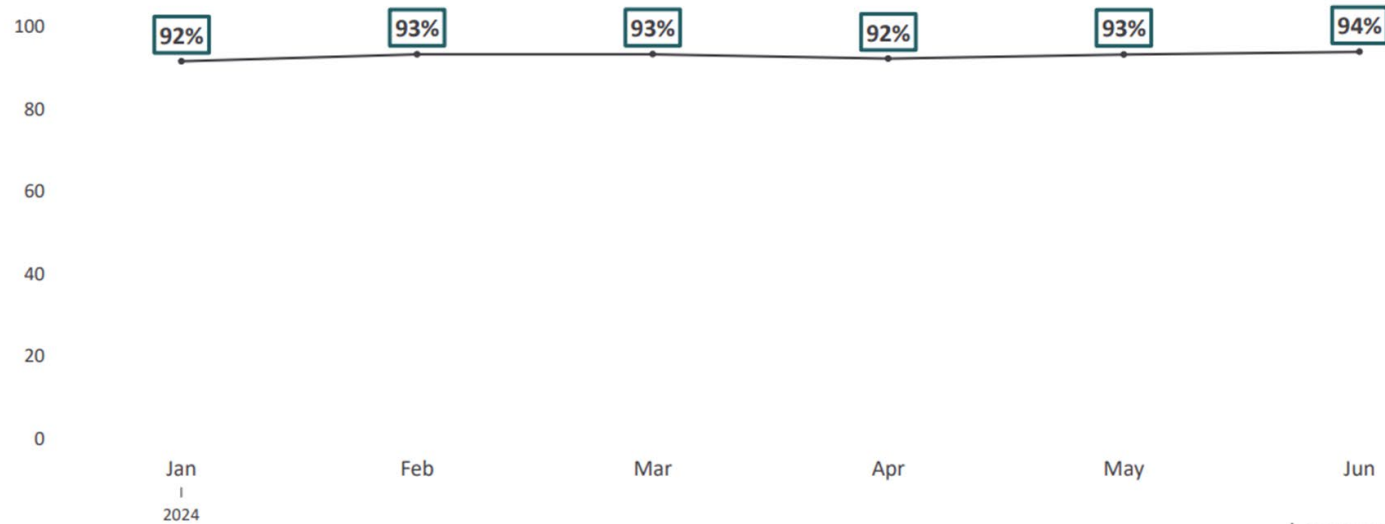
# Consumer Sentiment Data

# LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 86

\*Survey Fielded June 12, 2024; US National Sample of 1,000 adults 18+

## IMPACT ON TRAVEL PLANS

### Travelers with Travel Plans in the Next Six Months Comparison



American Travel Sentiment Study: Wave 86

Longwoods INTERNATIONAL | miles

# LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 86

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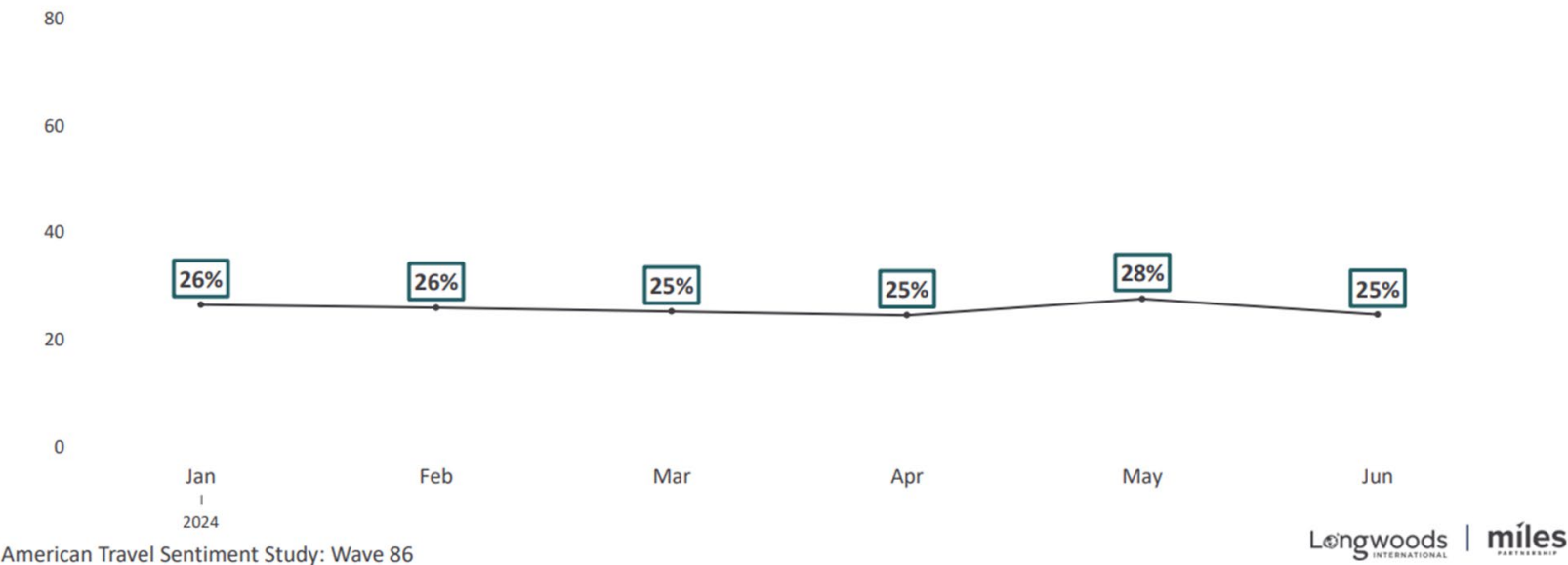


# LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 86

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## IMPACT ON TRAVEL PLANS

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

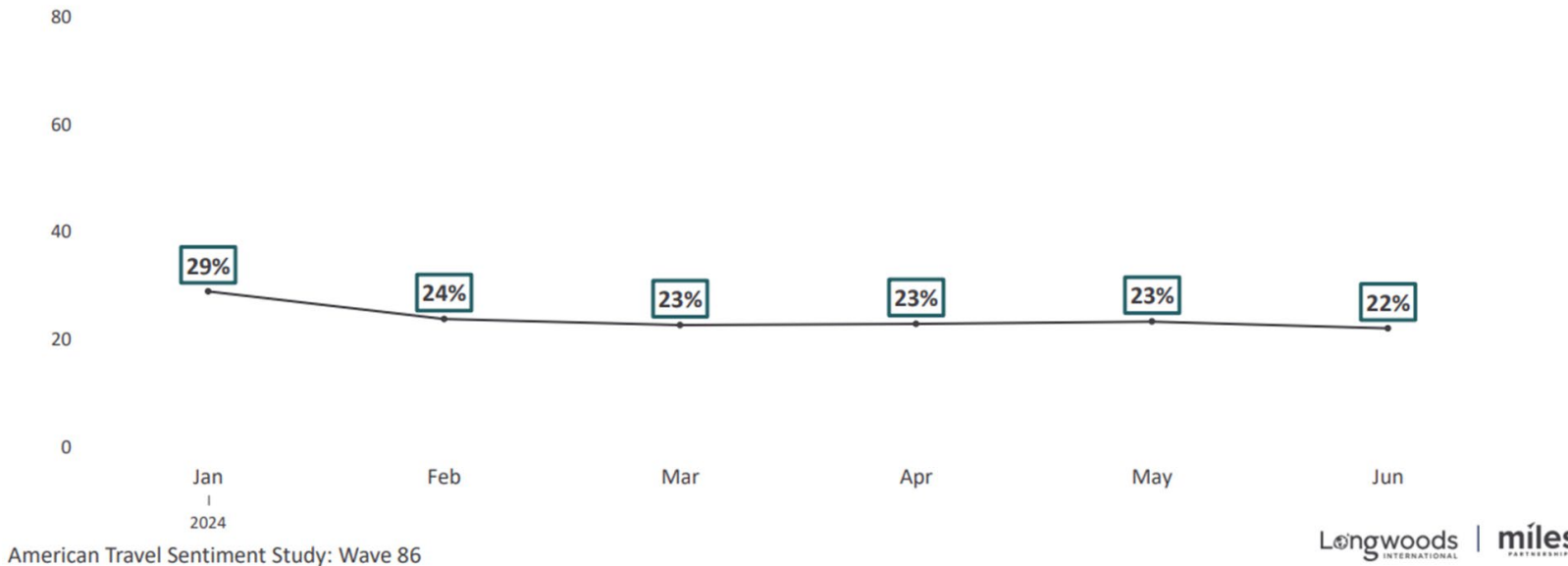


# LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 86

\*Survey Fielded June 12, 2024; US National Sample of 1,000 adults 18+

## IMPACT ON TRAVEL PLANS

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

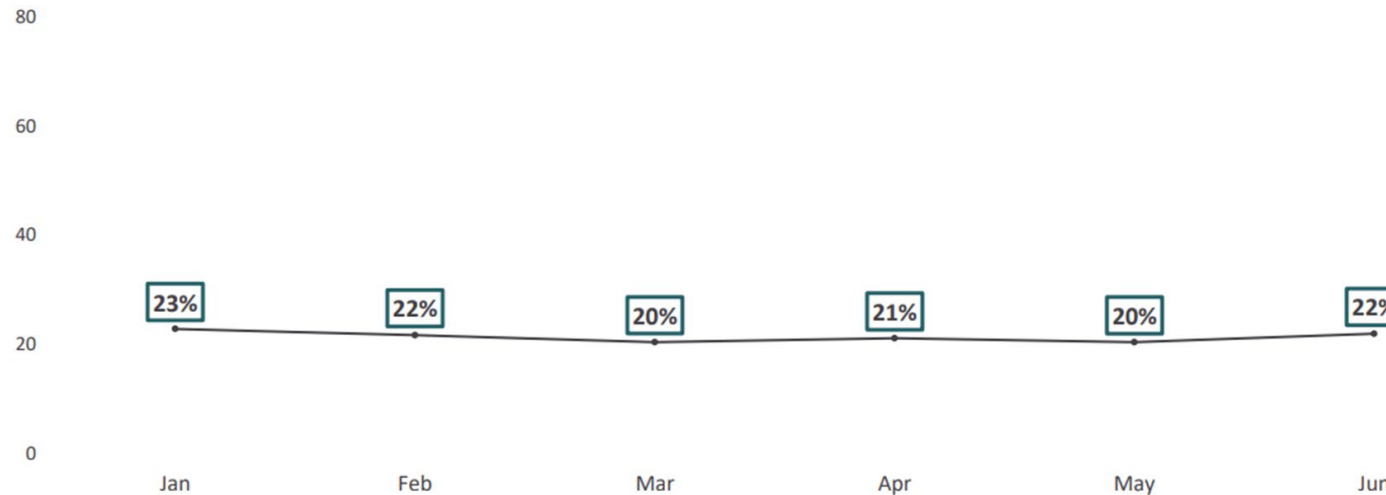


# LONGWOODS INTERNATIONAL Travel Sentiment Study Wave 86

\*Survey Fielded June 12, 2024; US National Sample of 1,000 adults 18+

## IMPACT ON TRAVEL PLANS

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



American Travel Sentiment Study: Wave 86

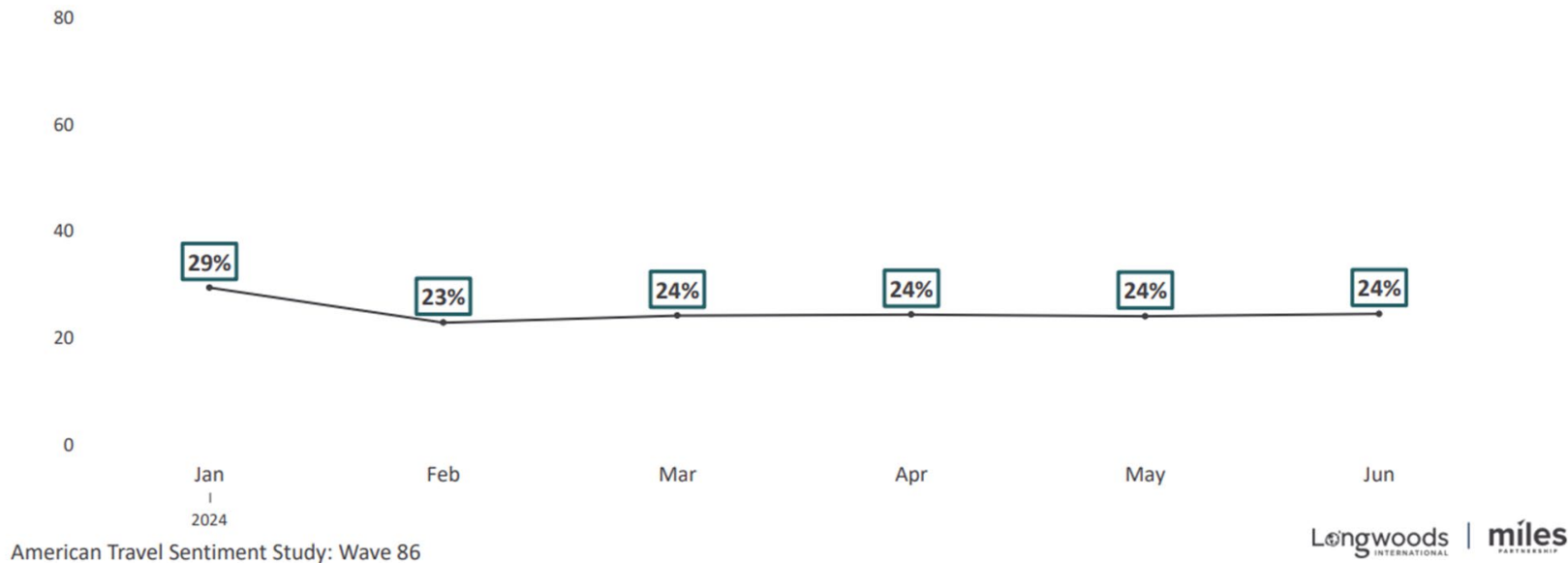
Longwoods INTERNATIONAL | miles PARTNERSHIP

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\*Survey Fielded June 12, 2024; US National Sample of 1,000 adults 18+

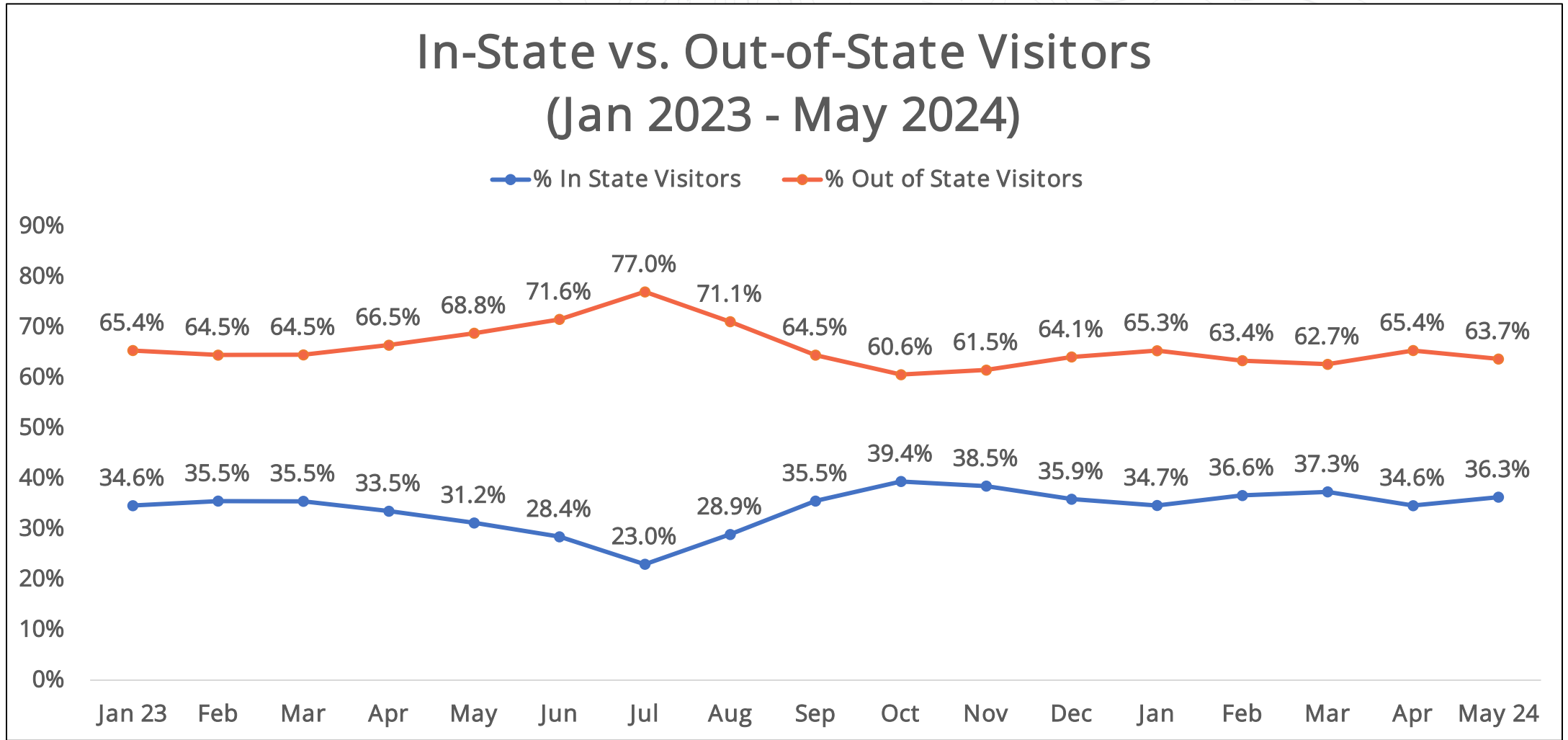
## IMPACT ON TRAVEL PLANS

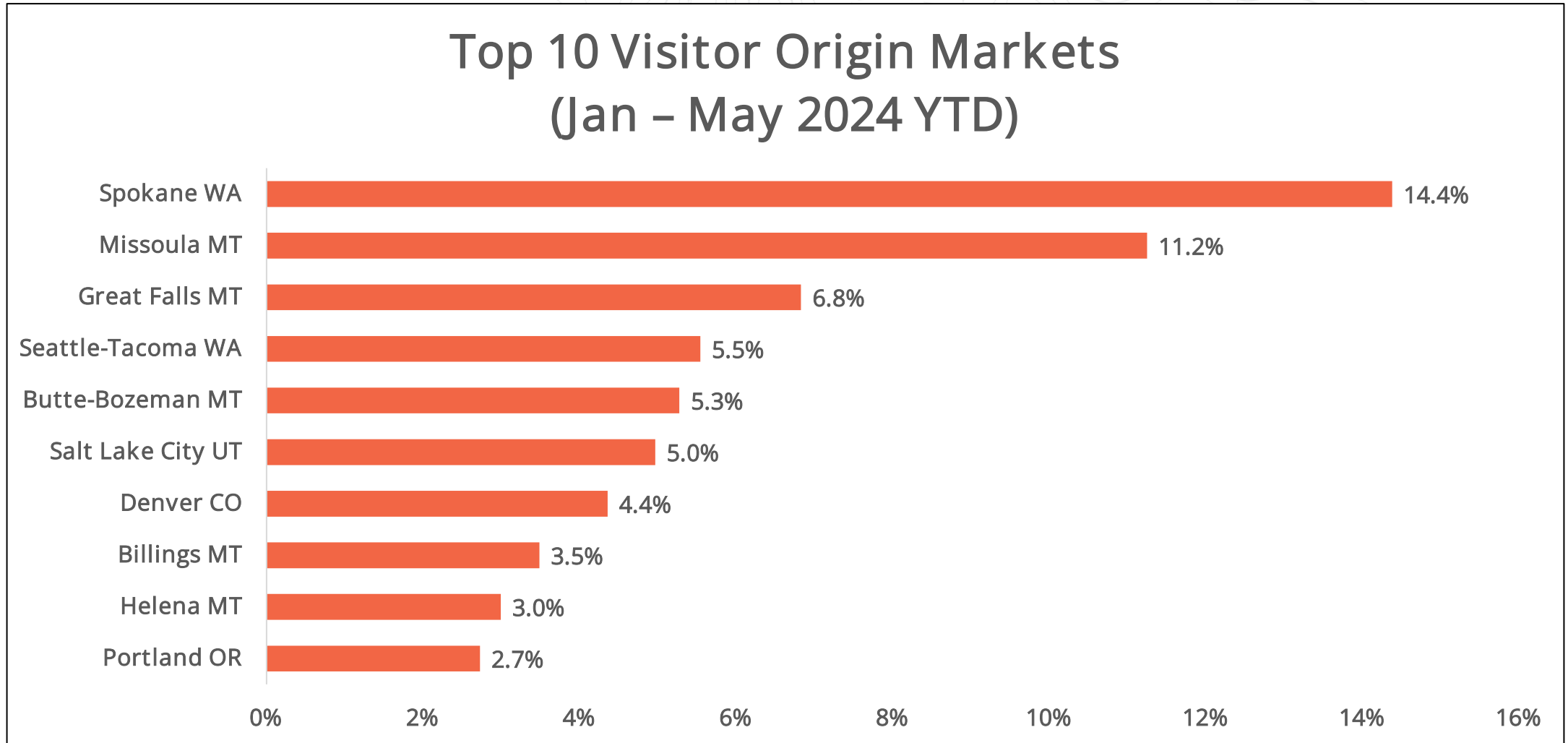
Indicated that Airfare Prices Would Greatly Impact their Decision to Travel in the Next Six Months

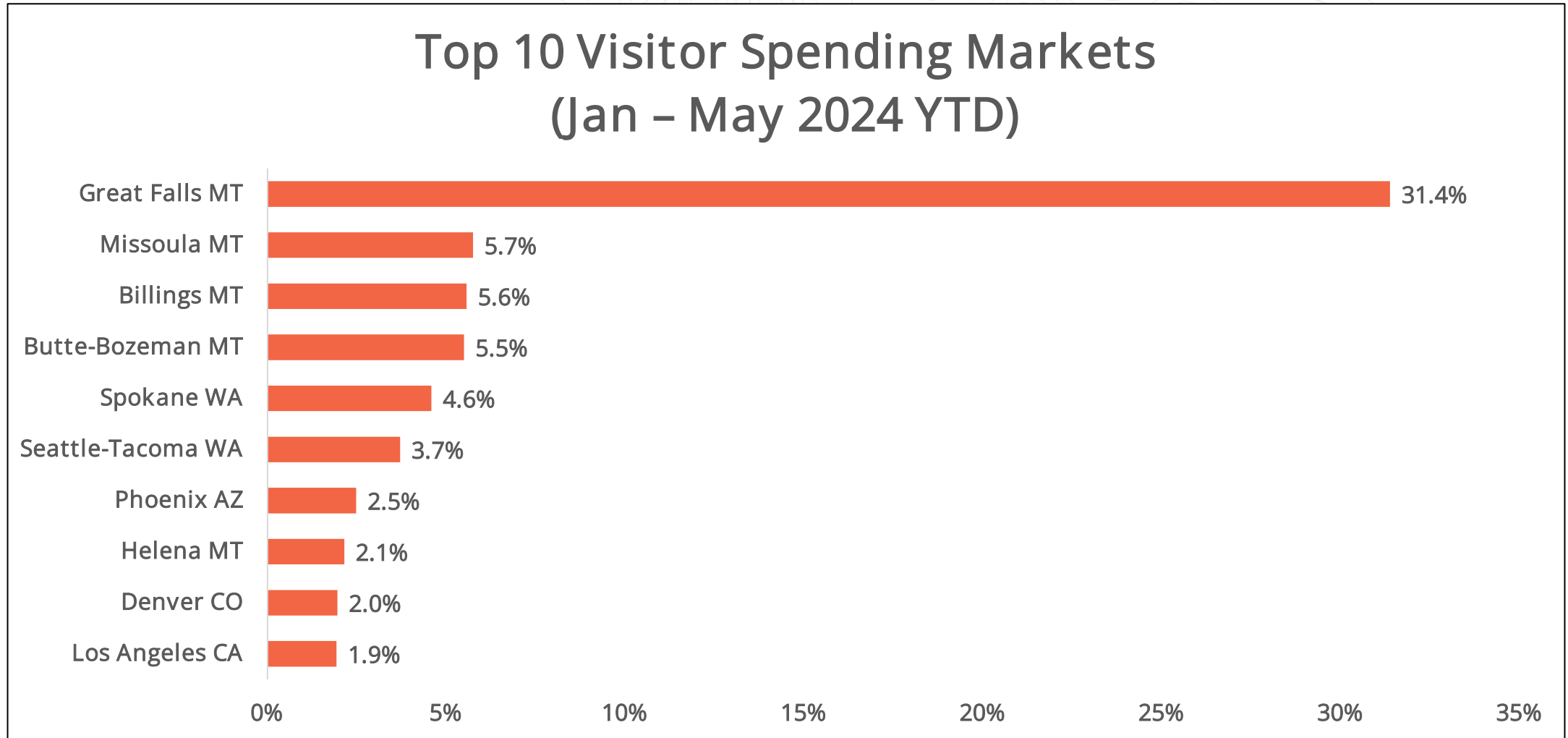


# Zartico Geolocation Data

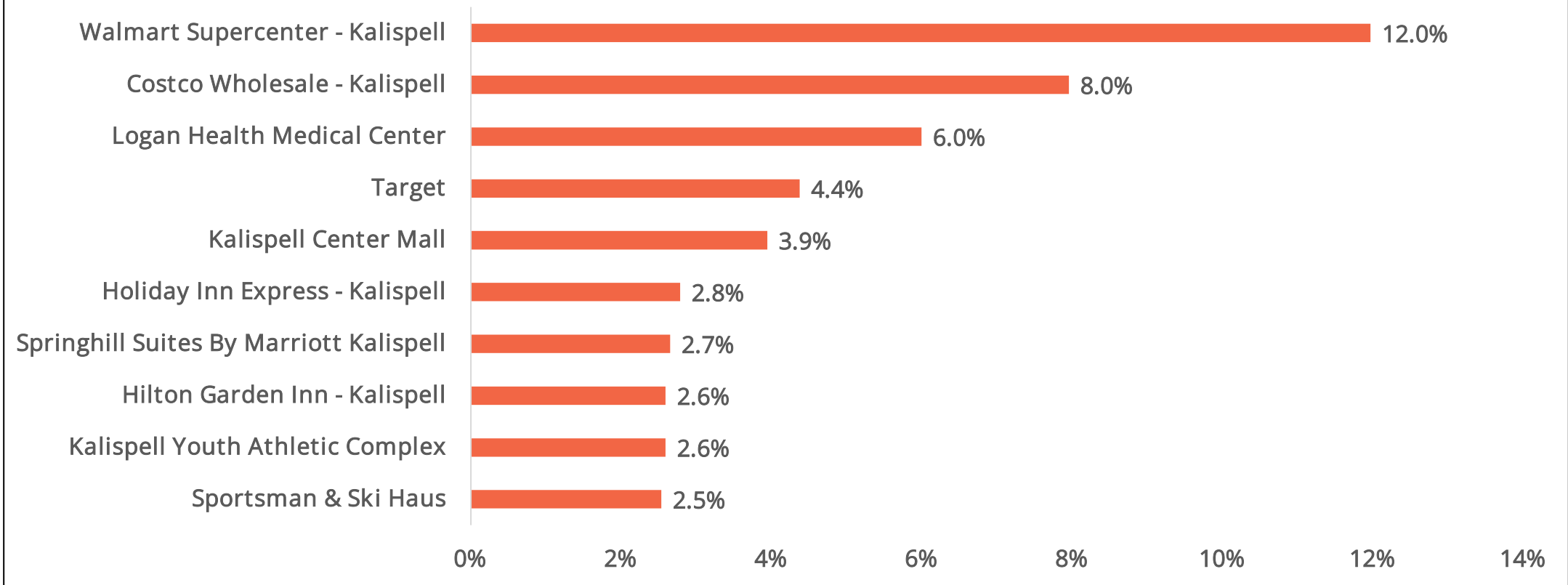


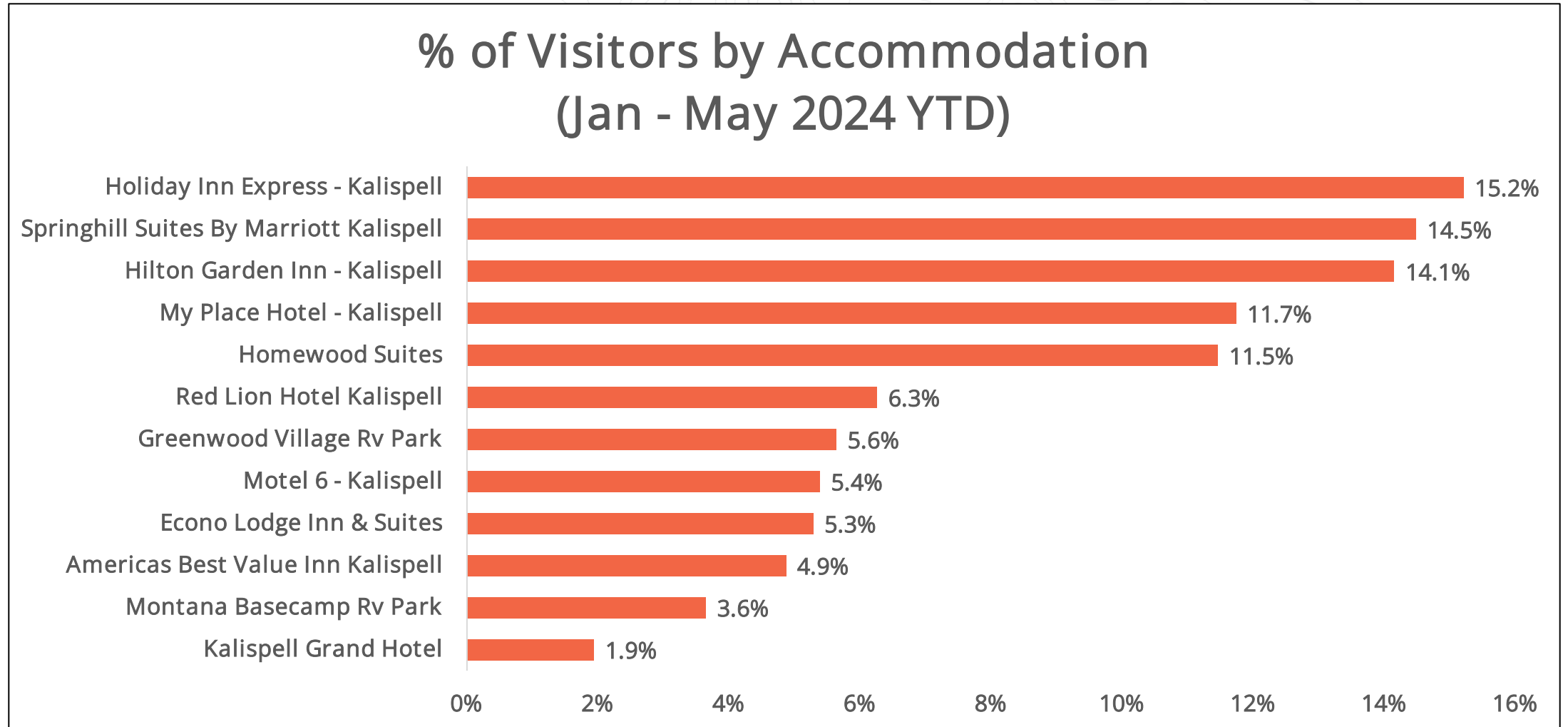




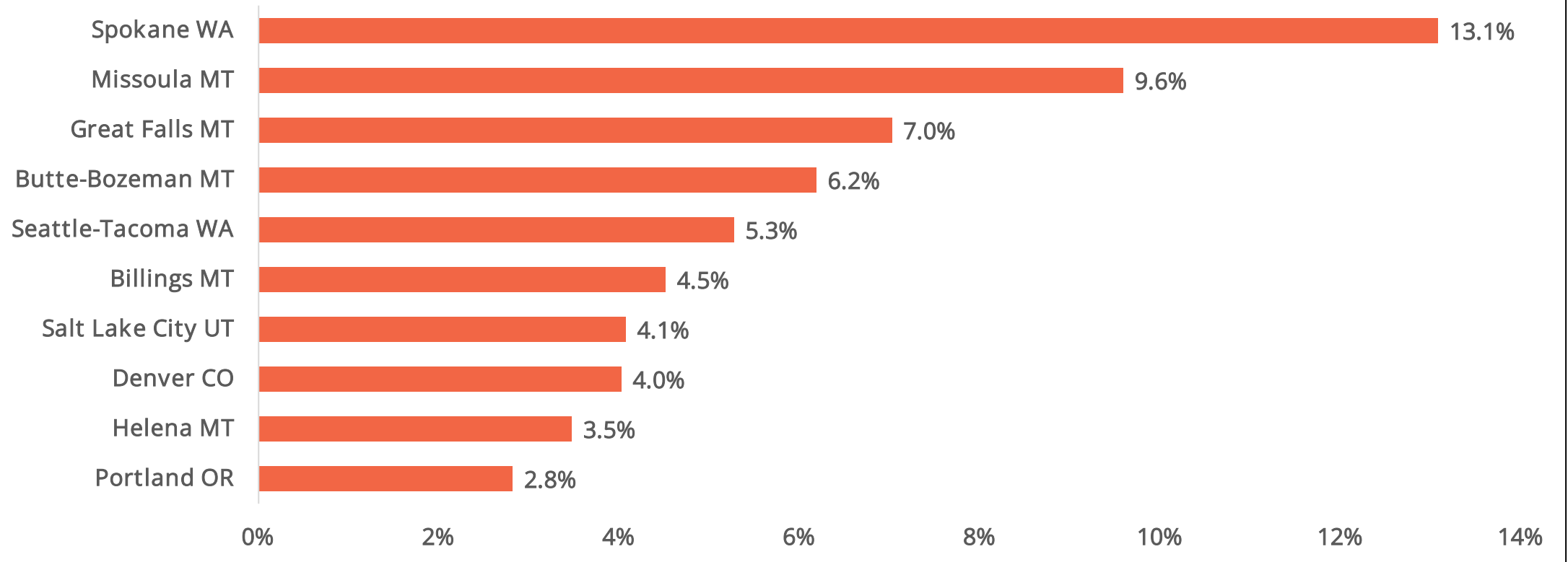


## Top 10 Visitor POIs - % of Visitation (Jan - May 2024 YTD)





## Accommodations - Top 10 Visitor Origin Markets (Jan - May 2024 YTD)





Thank You!

